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# Daily Report

# East Asia

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# Daily Report
## East Asia

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## PRC Continues Protest of Hsu's Visit to Japan

*OW0210054894 Tokyo KYODO in English 0527 GMT 2 Oct 94*

[FBIS Transcribed Text] Hiroshima, Oct. 2 KYODO—China's sports minister said here Sunday [2 October] that Beijing will continue protesting the visit by a high-ranking Taiwan government official to the Asian Games in Japan.

Wu Shaozu, who is chairman of the State Physical Culture and Sports Commission, told KYODO NEWS SERVICE he will make clear Beijing's stand in talks with Japanese officials.

Taiwan's Deputy Premier Hsu Li-te arrived in Hiroshima on Saturday to attend the opening ceremony of the 12th Asiad and promote Taipei's bid to host the Asian Games in 2002. Hsu is the highest ranking Taiwan official to visit Japan since Tokyo switched its diplomatic ties from Taipei to Beijing in 1972.

"His (Hsu's) presence here means an injection of politics in sports and Chinese will never back down on the issue," Wu said. "I have continued negotiations with the Japanese over the issue, and I will continue negotiations on the matter," Wu said. Wu will stay in Japan until the games end Oct. 16.

Wu said he does not plan to contact the Taiwanese delegation but also said he has no intention of balking at exchanges between athletes from China and Taiwan because they are members of the Chinese family.

## PRC Sports Minister Supports Pusan's Asiad Bid

*OW0410081194 Tokyo KYODO in English 0653 GMT 4 Oct 94*

[By Nobuyuki Suzuki]

[FBIS Transcribed Text] Hiroshima, Oct. 4 KYODO—The newly appointed Chinese Olympic Committee (COC) president voiced his support for South Korea's bid to stage the 2002 Asian Games on Tuesday [4 October] and said Taiwan is not qualified to host the games.

"Taiwan is not a good place to stage an international sports meet because of its political situation," Wu Shaozu said in an interview with KYODO NEWS SERVICE.

Wu, who also serves as the State Physical Culture and Sports Commission minister, was named to the top National Olympic Committee post on Sept. 20, succeeding He Zhenliang. Four vice ministers of the commission, including Beijing Deputy Mayor Zhang Baifa, were simultaneously chosen as vice presidents of the COC.

According to Wu, the Chinese women's soccer team was slated to participate in an international meet in Taiwan last month, but Taiwanese senior officials refused to hoist China's national flag, known as the red flag with five stars. "Although officials of the Taiwanese Football Federation have allowed us to use our national flag, later the authorities concerned overruled the decision," Wu said. "I am proud as a sports official that we have good sports exchanges between China and Taiwan and we do not have any bad feelings against Taiwan in the sports community," he added.

The Taiwanese cities of Taipei and Gaoxiong have announced their intention to host the 2002 Asiad along with Pusan, South Korea, and Jakarta. Syria is also reportedly interested in the Asian version of the Olympics. Pointing out the fact that the Olympic Council of Asia (OCA) charter says the head of state shall be invited to open the Asiad, Wu said, "Taiwan cannot fill the political requirements for the Asiad."

"In terms of the politics, facilities and organization to stage an international sports meet, South Korea is an appropriate place to stage the games," he added.

As for possible bidding activities for the summer Olympic games by Beijing, Wu said, "China has been promoting the Olympic movement and I'm sure we will host the Olympics in the future, but we have not decided yet when to resume our activities."

China's capital city lost to Sydney in the vote among International Olympic Committee (ioc) members in September 1993. Beijing is said to be aiming to bid again to stage the 2004 Olympics or the 2008 games.

Referring to Sunday's meeting between Japan's Education Minister Kaoru Yosano and Taiwan's Deputy Premier Hsu Li-te at an Asian Games welcoming party in Hiroshima, Wu said, "it was a serious matter, and violated a joint statement between China and Japan."

Although China voiced opposition to the appearance by Hsu in Hiroshima, the Hiroshima Asian Games Organizing Committee (HAGOC) considered him a sports official and granted him an ID to enter Japan without a visa. Hsu also serves as president of Taiwan's 2002 Asian Games Bidding Committee.

Wu criticized Hsu and said, "I will stay here until the end of the Asian Games, but I will never conduct any political activities in Japan." The OCA last month announced that no political figures would be invited to the Asiad.

Late last month, the Chinese Government froze a planned visit to the Asiad by State Councillor Li Tieying to express its opposition to Hsu's visit to Hiroshima.

Touching on Hsu's scheduled meeting with some lawmakers, Wu said, "Hsu should not have come to Japan and he is never allowed to meet any politicians in Japan."

"The appearance of Taiwanese politicians in Japan is really a big issue. The Japanese Government should remember Hsu's visit has hurt our feelings," he complained.

## Japan

### Further on Issues Related to Framework Talks

### Hashimoto on Car Inspection

*OW0410045494 Tokyo KYODO in English 0436 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—The U.S. request on Japan's car inspection system is aimed at a total abolition of the system, International Trade and Industry Minister Ryutaro Hashimoto said Tuesday [4 October].

The remark indicates a slight revision from his previous statement that Washington pressed for a total abolition of Japan's mandatory inspection system in the latest "framework" talks. Speaking at a news conference after the day's cabinet meeting, Hashimoto said the United States did not directly call for abolition of the system.

Technically speaking, the U.S. asked Tokyo to abolish a certified garage system in car parts repair or replacement, Hashimoto said. But he said accepting such a request may lead to a total repeal of the mandatory inspection system in the future. Hashimoto's initial claim spawned strong reaction from the U.S. Government, which said it did not make any request for removing Japan's car inspection system.

Meanwhile, Transport Minister Shizuka Kamei formally acknowledged no request for abolition came from Washington. But he also showed understanding to Hashimoto's initial remark, saying what the trade minister meant is Japan's overall auto inspection system would be affected if the country accepts the U.S. request on the certified garage system.

Wrapping up 15 months of trade framework talks, Japan and the U.S. on Saturday reached accords in three sectors—insurance, flat glass and government procurement. But they were unable to strike a deal on trade in autos and auto parts due to differing views on auto parts.

Washington then announced an investigation under section 301 of a 1974 trade act into Japan's car parts market for possible trade sanctions.

At issue is what U.S. Trade Representative Mickey Kantor describes as "vague and complicated Japanese regulations" for replacement car parts, which he claims "make it nearly impossible for competitive foreign auto parts products to break into the Japanese market."

Japanese trade ministry sources already said Japan will have "a cooling-off period" at least until early next year, before resuming auto parts talks with the U.S.

During Tuesday's news conference, Transport Minister Kamei said Tokyo is prepared to relax or abolish regulations on car inspection which have become less important in maintaining driving safety due to recent technological innovations. But Japan has no intention to wrap up the trade talks at the expense of safety, Kamei added.

### Compromise on Auto Parts Sought

*OW0410005494 Tokyo MAINICHI SHIMBUN in Japanese 3 Oct 94 Morning Edition p 3*

[FBIS Translated Text] The Ministry of Transport [MOT], which is in charge of controlling vehicle inspections and the import of auto parts, will now be forced to work out new measures. This is because there is still a disparity in understanding between Japan and the United States, and because it seems likely Japan will have to make further concessions during "continuous talks" in the future.

Concerning the vehicle inspection system, the U.S. Government has demanded major deregulation but it is not easy for the MOT to agree to this demand because Japan strongly believes: "The vehicle inspection system is indispensable to maintaining vehicle safety and to preventing air pollution, and it this also the reason why a low rate of car accidents caused by improper vehicle maintenance has been recorded in Japan" (as stated by Nobukazu Takahashi, chief of the MOT's Road Transport Bureau).

Basically, the MOT maintains that "easing of regulations on the vehicle inspection system or on designation of parts used for ensuring safety will not necessarily lead to an increase in the import of spare parts from the United States." Therefore, in response to U.S. demands, the MOT worked out plans for deregulating the Law on Road Transport Vehicles. However, the MOT has failed to fill the disparity in views between the two nations.

Moreover, since there are over 80,000 garages throughout the nation that are licensed or assigned to handle important parts used for ensuring safety, it will not be that easy for the MOT to make concessions on the vehicle inspection system issue.

### Tokyo To Appeal to GATT

*OW0410140994 Tokyo MAINICHI SHIMBUN in Japanese 4 Oct 94 Morning Edition p 2*

[FBIS Translated Text] At a 3 October news conference Nobuo Ishihara, deputy chief cabinet secretary, commented on the U.S. Government's decision to apply section 301 of the trade act (on sanctions against unfair trade practices) to auto replacement parts, and stated that "if it runs counter to GATT, we will take the case to GATT." He thus indicated that in case the U.S. Government actually imposes sanctions against Japan on auto parts, the Japanese Government will discuss the propriety of the U.S. action at the multilateral trade venue.

Regarding the U.S. decision on the application of section 301, Ishihara stressed: "The government's stance of not accepting negotiations under the threat of sanctions has not changed." He added: "The U.S. Government has its own way (regarding the application of section 301). We are not concerned about whatever it does." In this way, he pointed out that the Japanese Government's intention to continue negotiations on automobiles and auto parts under the economic framework talks has nothing to do with the application of section 301.

### NTT Expects More Competition

*OW0410011094 Tokyo MAINICHI SHIMBUN in Japanese 3 Oct 94 Morning Edition p 3*

[FBIS Translated Text] An accord has been reached on an outline concerning material procurement by Nippon Telegraph and Telephone Corporation (NTT). Talks on this issue have been carried out at the same time as Japan-U.S. framework talks on the government procurement sector. Touching on the accord, an NTT source said: "Through the improved procurement procedures, it is expected that we will be able to procure products with more competitive force than before, whether they are produced at home or abroad."

### U.S. May Bid for Sheet Glass

*OW0410071994 Tokyo KYODO in English 0645 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—Construction Minister Koken Nosaka indicated Tuesday [4 October] that U.S. manufacturers of flat glass might be given an opportunity to bid on public works projects starting in the 1995 fiscal year, which begins next April.

"Model projects to encourage the use of insulated, coated glass will be implemented during the next fiscal year," said Nosaka, speaking to reporters after a cabinet meeting.

He said the market opening measures would have to wait until next year because bidding for most public works contracts for the current fiscal year, which ends next March, is already finished.

Japan and the United States agreed during recent bilateral "framework" trade talks to introduce model projects in the public works sector to encourage sales of U.S.-made flat glass in Japan.

The U.S. alleges that Japan's flat glass industry is closed and exclusive. The two countries agreed they will seek to finalize an agreement on the issue within 30 days.

The construction minister emphasized that the model projects will not mean that U.S. flat glass will be purchased automatically.

"We will compare the costs with Japanese products and we will use the cheapest products," Nosaka said.

### Insurance Sector Reacts to Accord

*OW0410014694 Tokyo MAINICHI SHIMBUN in Japanese 3 Oct 94 Morning edition p 3*

[FBIS Translated Text] An accord has been reached on the insurance sector at the Japan-U.S. framework talks; meanwhile, the first revision in 50 years of the Insurance Business Act is being carried out at the Ministry of Finance. Part of the revision plan has already been put into effect and been accepted by the life insurance business circle in a relatively calm manner. A business source stated: "The accord is in line with the reform trend in the insurance system" (according to Takahide Sakurai, chairman of the Life Insurance Association of Japan and president of the Dai-ichi Mutual Life Insurance Co.)

However, an attempt to postpone liberalization of the so-called "third sector" insurance will run counter to the concept of reform through deregulation. The "third sector" insurance implies multiple insurance that includes both life insurance and damage insurance such as that on injury, illness, and nursing, in which U.S.-affiliated insurance companies enjoy a strong competitive force. Therefore, concerning this attempt, voices within the business circle said: "Japan has yielded to U.S. pressure."

### Keidanren Official Comments

*OW0410092694*

[Editorial Report] Tokyo ASAHI Newstar Television Network in Japanese 1210 GMT on 2 October, in its regularly scheduled "Sunday Project" program, carries a 25-minute interview with Tadahiro Sekimoto, deputy chairman of Japan Federation of Economic Organizations [Keidanren], by political commentator Soichiro Tahara. The interview focuses on the result of recent negotiations under the Japan-U.S. Economic Framework Trade Talks.

Asked for his reaction to the talks, Sekimoto lauds the efforts made by both Japanese and U.S. officials in bringing the negotiations to a conclusion. At the same time, he says, "it is fundamentally wrong" to have such negotiations between the two governments because they operate under a free trade market system.

Referring to compromises reached at the recent negotiations, he says that a "small problem which was holding up talks has been resolved."

Sekimoto points out that statistics on government procurement show that the Japanese Government purchases more foreign-made goods than does the U.S. Government. He says that although the U.S. Government has not purchased even a single supercomputer from other countries, 62 percent of the Japanese Government's supercomputers are foreign-made.

He says: "There is a 'buy American' movement in the United States when it comes to supercomputers. I know many actual examples and we could make many complaints about it. We, however, are refraining from doing that. We are not complaining to the government. "The U.S. Trade Representative listens too much to complaints from one company."

On the issue of computer part exports to the United States, Sekimoto explains that American computer makers need Japanese parts. "The integrated circuits [IC], for example, are in short supply in Japan too. But we are selling them to American customers because they want to buy ours," he says.

He cites statistics which indicate that exports of Japanese computer parts to the United States increased when U.S. computer exports to Europe jumped.

"We are not destroying U.S. computer makers but helping them because they cannot make computers without Japanese IC's," he says.

Sekimoto says the overall trade imbalance between the two countries "will not decrease as long as figures are shown in the weak dollar."

He adds that U.S. companies will have to continue current purchases from Japan even if the dollar continues to fall, saying economists need to look at the trade imbalance issue from different perspectives.

### Paper Sector Discussed

*OW0410115594 Tokyo KYODO in English 1139 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—Tokyo will study U.S. intentions behind Washington's listing of Japan's paper sector as practicing "unfair trade" during coming paper trade talks with the United States, a trade ministry official said Tuesday [4 October].

"The designation was totally unexpected," said the Ministry of International Trade and Industry (MITI) official in charge of the paper industry.

The U.S. Government on Monday announced a decision to place Japan's wood and paper product sectors on the "watch list" for possible trade sanctions under a retaliatory clause commonly known as Super 301.

Inclusion on the watch list is less serious than being named as a priority country under the trade provision. The latest U.S. decision did not name any priority countries.

The MITI official said Japan will try to clarify the recent U.S. action when it holds a regular paper trade meeting in Washington from Oct. 20.

Tokyo will explain to the U.S. that Japan's paper product imports have been increasing despite the slump in the domestic industry in fiscal 1992 and 1993, the official said.

"Bilateral paper trade talks are gradually generating positive effects," the official said.

In April 1992, Japan and the U.S. agreed to cooperate in efforts to expand foreign sales in Japan of paper products such as printing paper and corrugated cardboard cartons.

The accord includes Japan's pledge to effectively enforce the Antimonopoly Law when it detects antitrust action and practices.

### 'Objective Criteria' Analyzed

*OW0410025094 Tokyo YOMIURI SHIMBUN in Japanese 3 Oct 94 Morning Edition p 3*

[By reporter Hideya Aoki]

[FBIS Translated Text] Washington, 2 Oct—The issue of "objective criteria" to measure the openness of Japanese markets, which has been the greatest point of dispute in negotiations over trade sectors under the Japanese-U.S. framework trade talks, has been settled. A set of five quantitative criteria (along with another set of five qualitative criteria) have been adopted. However, Japan and the United States have come to a compromise by going as far as to delete such expressions as "meaningful increase" and "progress in terms of procurement value and market share" from the actual list of criteria, and treating them in an ambiguous manner by referring to them only in the introductory clause of the agreement covering the government procurement sector. In the future, there is a strong possibility that a dispute between Japan and the United States over the definition of such criteria will surface.

The set of five quantitative criteria is as follows: 1) Annual value and shares of procurements; 2) the total number of entities procuring foreign products and services; 3) annual number of contracts awarded; 4) annual number of tenders submitted by all domestic and foreign suppliers; and 5) relative competitiveness of foreign products and services.

Japan, which has rejected numerical targets, has praised the fact the set of quantitative criteria includes not only the value and shares of procurements but also the annual number of tenders submitted and the relative competitiveness of foreign products and services. Under such an arrangement, Japan asserts that even if there is no increase in procurements of foreign products, it can "claim that foreign firms lack interest, if the number of tenders submitted is small."

Meanwhile, the United States has placed emphasis on the fact that reference has been made to such terms as "increase" and "progress" in the introductory clause of the trade agreement. It asserts that these criteria are like numerical targets, saying "Japan has pledged to maintain continuous progress in the value and shares of procurements so that there will be a meaningful increase."

### 'More Patchwork' Said Needed

*OW0310152894 Tokyo KYODO in English 1508 GMT 3 Oct 94*

[By Keiji Urakami]

[FBIS Transcribed Text] Tokyo, Oct. 3 KYODO—Japan and the United States have wrapped up 15 months of sometimes torturous marathon talks by at least evading an all-out trade war.

Emerging from the 20-hour talks, which continued from Friday [30 September] on into Saturday in Washington, marking the final showdown in the so-called "framework" talks, negotiators from both parties proclaimed victory in their latest efforts to establish new bilateral trade and economic ties.

Closer inspection of the key issues of the talks, launched in July 1993, quickly reveals that more patchwork is necessary to prevent what appear as small tears from developing into another ripping trade confrontation in the near future.

Japan and the U.S. reached accords on three sectors—flat glass, insurance and government procurement of telecom and medical equipment. But no deal was struck on auto trade as the two countries were unable to bridge the gap over foreign access to Japan's replacement parts market.

U.S. Trade Representative Mickey Kantor, the chief U.S. negotiator, said the latest agreements will produce "real tangible change that brings concrete results in our trade relations with Japan."

Japanese Foreign Minister Yohei Kono said, "At one time, feelings of distrust grew (between the two countries) but I feel very moved that we were able to overcome that, and could reach an accord with efforts by a lot of people."

"Areas that had long run in parallel came together in agreement. I think this will probably give impetus to talks in other framework sectors," Kono said.

Behind the euphoria, however, lurk several questions that have not been fully addressed in the latest discussions, including how to set "objective criteria" as an instrument to gauge progress in Japan's market-opening efforts.

The wording of such criteria defined in the telecom trade accord is so ambiguous as to be interpreted any way either party likes.

Due to the sharp conflict on objective criteria that arose during the failed Feb. 11 summit between then Japanese Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton, the two countries once suspended the framework talks.

The latest telecom accord stated that an annual evaluation of progress in the value and market share of Japanese procurement of foreign telecom products and services is intended to achieve "a significant increase in access and sales of competitive foreign products over the medium term."

Progress will be evaluated by "reference to recent trends" in the value, rate of growth and market share of foreign products, the accord said.

In the past 15 months, Japan has rejected any criteria that might commit the country to specific measures of future trade performance or results-oriented targets by branding them as "numerical targets."

"We were able to conduct the negotiations based on the principle of abolishing numerical targets," Kono said.

Meanwhile, Kantor said the Japanese Government is "committed for the first time to use objective quantitative and qualitative criteria to evaluate the progress."

"Given that both countries agreed, this is a valuable way to obtain a results-oriented agreement that is tangible and concrete," Kantor said.

Some analysts predict a renewed row over telecom trade in the future, regarding the latest accord's inclusion of "reference to recent trends" as virtual acceptance by Tokyo of a future trade commitment on a "significant increase" based on "recent trends."

Tokyo and Washington are still at loggerheads over insurance trade despite both parties' initial claims of victory regarding a set of agreements to open Japan's market.

Confusion arose when the U.S. claimed Tokyo agreed to immediately launch a Fair Trade Commission (FTC) probe into Japan's "Keiretsu" interlocking business groupings.

A Japanese Finance Ministry official denied any promise for an immediate FTC investigation, explaining the ministry is considering such a probe "within a reasonable period after a revised insurance law is implemented."

Tokyo also reacted against Kantor's triumphant statement predicting an increase of nearly 1 billion dollars in foreign insurance premiums earnings in Japan over the next several years.

"There was no agreement to project specific earnings figures," the ministry official said.

Japan's Vice Finance Minister Jiro Saito said both parties compromised on what could be compromised but rejected what could not be, brushing off Kantor's one-sided claim of victory.

Prospects for an early solution are almost nil in auto and auto parts trade, the politically most sensitive sector of the framework talks, which account for 60 percent of Japan's trade surplus with the U.S.

At issue is what Kantor describes as "vague and complicated Japanese regulations" for replacement parts, which he claims "make it nearly impossible for competitive foreign auto parts products to break into the (Japanese) market."

Washington sought a total abolition of Japan's certified garage system in auto repair while Japan offered deregulatory steps based on the current system.

The U.S. decided to initiate a Section 301 investigation into the trade area for possible invocation of sanctions.

The move created a spate of reactions by Japanese ministers, including Trade Minister Ryutaro Hashimoto, who said, "Japan will reserve all kinds of rights including filing to the General Agreement on Tariffs and Trade (GATT) if the U.S. moves to slap our country with retaliation."

Trade Minister Hashimoto said a cooling-off period is needed to get the stalled talks rolling again.

A trade ministry official said auto parts talks are unlikely to be resumed this year.

Japan and the U.S. avoided an all-out confrontation in the latest trade talks, apparently out of fear of potentially detrimental economic and political effects.

Both countries recall how last February's rupture in the trade talks touched off a wave of dollar selling as a way of redressing Japan's huge trade imbalance with the U.S.

Japanese industry has adapted well to a bout of yen upsurges over the past year but is no longer capable of resisting any further appreciation of the yen.

Washington is also believed to have judged that any further confrontation on the economic front would only damage overall bilateral ties.

Washington's selection of Section 301 instead of the more powerful Super 301 in auto parts and the limited application of the legislation to the economically less-significant auto repair market seem to reflect such judgment.

It is crucial for Clinton, with midterm elections looming in November, to avoid any further stumbles over major economic issues.

### 'No Problem' in Wood Market

*OW0410030194 Tokyo KYODO in English 0251 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—A Japanese farm ministry official asserted Tuesday [4 October] that there is no problem with U.S. access to Japan's wood market. "Imports of wooden products from the United States have been on the rise, so there should be no problem," said an official at the Ministry of Agriculture, Forestry and Fisheries.

The official had been asked to comment on a U.S. decision Monday to place Japan's wood and paper markets on a "watch list" under the Super 301 clause of the 1988 Trade Act. The U.S. move is a signal that Washington is unhappy with U.S. access to the sector and will watch the situation closely to determine whether it should be targeted for possible sanctions under the unilateral trade legislation.

In a 1990 agreement, Japan agreed to reduce tariffs on wood products. In addition, Japan and other countries involved in the Uruguay round of global trade talks have agreed to slash tariffs on wood products by about 30 percent over the next five years from the current level.

### Future of Framework Talks

*OW0410024994 Tokyo SANKEI SHIMBUN in Japanese 2 Oct 94 Morning Edition p 3*

[By reporter Tetsuro Hanari]

[FBIS Translated Text] On 1 October, Japan reached a broad agreement with the United States on government procurement and other sectors in the framework trade talks, thus averting all-out U.S. sanctions. However, it is hard to say the accord will make Japan-U.S. economic relations stable. Washington's strong demand for setting objective criteria in the government procurement talks and demands in the auto sector have left an unpleasant feeling; it will not go away easily. Although Japan averted the immediate crisis, its relations with the United States are likely to be strained from now on.

When the trade talks entered the final stage at the end of September, a senior Foreign Ministry official said: "Even if the two nations reach an agreement, they will repeat the same thing in a short time. They will have another dispute." No matter what form the agreement takes, there will be no change in the trade imbalance between Japan and the United States. Thus, it can be said the agreement is no more than a tentative measure to ward off U.S. sanctions.

In its proposal for objective criteria, Washington demanded "Japan guarantee results." But because Tokyo rejected the demand by saying it could not promise results, confrontation continued over the principles of objective criteria. This time the two sides settled the talks with an ambiguous agreement. However, if there is no tangible "increase in the sales of foreign products and improvements of foreign access to the services sector," which Washington has demanded, the United States will certainly promote its discontent. It is feared that if this happens, the two sides will begin to argue again.

In the talks on autos and auto parts, Tokyo and Washington continue to confront each other over the U.S. demand that the Japanese Government ask automakers to review their parts procurement plans to buy more foreign-made parts. There is no knowing how the talks will develop. Although the Ministry of International Trade and Industry [MITI] has asserted that "plans by the private sector lie outside the authority of government," it is doubtful whether it can maintain this assertion when the talks reach the final stage. Some in the auto industry are worried, saying: "We may be forced to buy more." MITI will be urged to make a difficult decision.

Meanwhile, the fact Washington clung to its demand for "Japan guaranteeing results" until the very last moment left the strong impression that the Clinton administration distrusts Japan. In past trade talks, to satisfy the United States Japan tended to agree to take measures to rectify the trade imbalance. However, the results were that the U.S. trade deficit with Japan did not decrease and Washington took the offensive against again. Because this occurred repeatedly, the Clinton administration refused to take the same path and sought "results."

Behind this lies the fact that economic issues have been given priority following the end of the Cold War. Japan-U.S. relations have so far sought stability because of political and military necessities under the Japan-U.S. Security Pact. However, now that immediate military tensions have been reduced, the United States has begun to see Japan as a trade rival.

For the Clinton government, settling trade issues with Japan is a most urgent task because it is closely connected with the task of reconstructing the economy at home. In this context, it is natural for the administration to take a tough stand on Japan.

Nevertheless, maintaining principles, Tokyo is opposed to the U.S. tough approach and has been at loggerheads with the United States for more than a year. Now some people have begun to say: "The repetition of unproductive arguments is ineffective in easing friction between Japan and the United States," and "the framework talks are unnecessary."

These opinions are also heard among both Japanese and American business leaders and intellectuals. In defiance of such opinions, the governments of Japan and the United States have to continue negotiations in a calm manner. Otherwise, the possibility may arise that tension in the economic field will affect the entire Japan-U.S. relations.

## Editorial Assesses Trade Accord

*OW0410045094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 3 Oct 94 Morning Edition p 2*

[Editorial: "Rebuild Japan-U.S. Relations From Broad Outlook"]

[FBIS Translated Text] At any rate, Japan and the United States have avoided the danger of a clash. At the Japan-U.S. Economic Framework Trade Talks, marked by stalemate, the two countries struck a deal on three sectors—government procurement, insurance, and sheet glass—with the exception of automobiles and auto parts, thereby enabling them to avert the worst situation wherein the United States would slap trade sanctions against Japan with respect to the government procurement sector and would name Japan as a nation involved in unfair trade practices in the sector under the Super 301 Provision. Nonetheless, trade issues pending between the two countries will recur as long as they stick to bilateral trade talks. It is time for Japan and the United States to rebuild their ties into a globally-oriented relationship by reframing the short-sighted framework talks.

The Clinton administration's sober response to offers from Japan were notable in the final rounds of bilateral negotiations. The administration tried hard to avoid giving an impression that Japan and the United States were in confrontation, by shifting the application of the Super 301 Provision on automobiles and auto parts, and sheet glass to a softer application of the provision on replacement auto parts.

With the midterm elections set to be held in November, the Clinton administration is saddled with several knotty issues. The American people were paying greater attention to such domestic agenda as medical insurance reform and the invasion of Haiti by a multinational force than to the framework talks. Even some executives with American corporations do not know of the framework talks. The U.S. Government probably reached the conclusion that it was not good policy to further sour relations with Japan even by risking a free fall in the dollar, stocks, and bonds, because of trivial trade issues with Japan.

On the contrary, Japan viewed the framework talks as the biggest political issue between the two countries. It was unusual for such key cabinet ministers as Foreign Minister Yohei Kono and International Trade and Industry Minister Ryutaro Hashimoto tot frequently fly to Washington for all-night negotiations with U.S. officials. We applaud their political efforts to keep any breakdown in negotiations from impacting on the entire Japan-U.S. relations one way or another. However, rewording "objective criteria" and improving the U.S. procedures for slapping trade sanctions against its trading partners were not something for which such key cabinet ministers did their best.

### The Framework Talks Are 'Failure of Governments'

Why has this situation been created? What has gone wrong?

The framework talks are clearly a "failure" of the Japanese and U.S. Governments. Carefully looked at, Japan-U.S. economic relations are in very good shape. The interdependence of Japanese and American businesses is deepening. Most of Japan's exports to the United States are capital goods and parts. American businesses can produce nothing without imports from Japan. Influential business executives both in Japan and the United States believe that Japan-U.S. economic relations have improved. The exports of American cars to Japan have been rising sharply. Many American auto parts makers are satisfied with cooperative ties with Japanese enterprises.

The dispute between the governments of Tokyo and Washington has been seen as being far apart from the actual situation in Japan-U.S. economic relations.

The framework talks have continued to go through a stalemate largely because of the misconception of the Clinton administration's economic strategy toward Japan. The framework talks started on the premise of a structure in which "Japan's economy is powerful and the U.S. economy is on the decline." As Treasury Undersecretary Summers has pointed out, the Japanese economy is mired in recession whereas the U.S. economy is taking a favorable turn.

First, the Clinton administration has overlooked changes taking place in Japan. The government's reach, which has become the basis for bilateral negotiations, has become less important since Japan relaxed its bureaucratic regulations. Nonetheless, the Clinton administration has been convinced that "Japan Inc.," in which the Japanese Government leads the Japanese economy, is still functioning as it has been.

Second, there has been a sense of deep distrust between the U.S. Trade Representative and officials in charge of the framework talks in the U.S. Government, and Japanese bureaucrats. "Lawyers with no knowledge of the economy" and "stereotyped bureaucrats" are far from making a "friendly persuasion" to each other as tough negotiators.

Third, the framework talks themselves are defective. At a summit meeting held last July, former Prime Minister Miyazawa and President Clinton casually compromised on setting the "objective criteria" for individual sectors, and the compromise has since become disputed between the two countries. In the framework talks, the two countries have been reduced to engaging in theoretical debate on whether the objective criteria is managed trade or not.

## Debate on Bid for UNSC Permanent Seat Continues

### Murayama Seeks Veto Power

*OW0210090394 Tokyo ASAHI SHIMBUN in Japanese 30 Sep 94 Morning Edition p 3*

[FBIS Translated Text] Prime Minister Tomiichi Murayama spoke on 29 September in reference to the issue of Japan becoming a permanent member of the UN Security Council [UNSC], and said: "It will be strange if some countries have veto power and others do not, while being permanent members of the UNSC together."

He thus gave his view that if Japan becomes a permanent member of the council, it should be only natural that the country has the veto power just as current five permanent members do now. He made this remark in reply to a question from reporters at the prime minister's residence.

### ROK Stand on UNSC Membership

*OW0410083294 Tokyo KYODO in English 0718 GMT 4 Oct 94*

[FBIS Transcribed Text] New York, Oct. 3 KYODO—South Korea made clear Monday [3 October] it does not want Japan or other candidates for a permanent seat on the UN Security Council [UNSC] to be vested with veto power as held by the current five permanent members—Britain, China, France, Russia and the United States.

Addressing the UN General Assembly in New York, South Korean Foreign Minister Han Sung-chu said "the creation of a third category of council members coupled with the expansion of nonpermanent membership may be an answer" to the question of how to enlarge the 15-nation key UN body.

Besides the five permanent members, the council has 10 nonpermanent members selected by UN member states for two-year terms.

Seoul's response to Japan's candidacy for a permanent council seat, formally declared by Foreign Minister Yohei Kono before the assembly Sept. 27, reflects the concern of the South Korean Government and people about Japan becoming a powerful country, UN sources said.

The entire Korean peninsula was under Japanese colonial rule from 1910 to 1945.

Han, while voicing support for an increased council membership, said the introduction of a third member category could help to maintain the council's effectiveness. He did not elaborate on the nature of such a new category.

In his speech at last year's general assembly, Han suggested the creation of new council seats without veto powers but for a longer than two-year term.

Japanese diplomatic sources said Seoul in bilateral talks voiced understanding for Japan's wish to gain a full permanent council seat but said it would oppose increasing the number of permanent member with veto power.

In his speech, Han also reiterated South Korea's bid for a nonpermanent seat for the 1996-1997 term.

In Tokyo, a Japanese Government spokesman said South Korea has taken the position that some more countries should be admitted to the Security Council as nonpermanent members in line with the proposed expansion of the powerful UN body.

"In any event, Japan intends to actively participate in debate at a UN working group on the question of reconfiguring the Security Council," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

But he also said Tokyo will seek to become a permanent council member with the power of veto just as Prime Minister Tomiichi Murayama said recently.

The premier indicated last week that Japan will demand the right as he believes there should be no differences in power among permanent council members.

### Editorial Views Campaign for Seat

*OW0210114494 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Sep 94 Morning Edition p 2*

[Editorial: "Questions To Be Asked of Japan After It Raised Its Hand in a Bid for Permanent Membership of the UN Security Council—About What It Wants to Do"]

[FBIS Translated Text] Yohei Kono, deputy prime minister and foreign minister, in a speech at the UN General Assembly, formally announced Japan's desire to become a permanent member of the UN Security Council [UNSC]. The announcement of the desire does not necessarily mean Japan will get a seat as a permanent member on the council. But now that the government has announced its desire, it needs to think earnestly about responsibilities the membership will entail.

This newspaper has pointed out in the past that if Japan wants to become a permanent member of the UNSC, it must recognize that gaining the membership itself cannot be its final goal and the membership is only a means of manifesting Japan's principles of actions. Japan's principles of actions are its postwar lines of conduct symbolized in the three nonnuclear principles and three principles banning export of arms. In the post-Cold War world which is characterized by the multiplicity of threats to the world security, the international community's expectations of Japan's active role in the non-military area are great.

Kono's speech appears to be based, more or less, on a similar understanding of this point. His speech made clear that Japan will not engage in the act of exercising force which is prohibited under the Constitution. It also declared that Japan will make efforts toward arms reduction and nonproliferation, will participate in the UN peacekeeping operations, and will tackle the new kinds of the worldwide threats such as issues of environment, human rights, refugees, population, AIDS, and narcotics.

His speech does not state expressly that Japan makes it a condition to gaining the UNSC permanent membership that the it will not involve itself in the so-called military contributions, but that message can be said to have been made in the overall context of the speech stating that Japan intends to live and act as a peaceful country. The problem here is whether these contents of the speech can be trusted nationally and internationally. And whether they can be trusted depends on how the Murayama government will act hereafter.

What is important is to make sure that Kono's speech does not end in words only. For instance, the government must make efforts, which accompany specific actions, in the area of arms reduction. The government must present comprehensive action plans on various issues, such as environment and human rights, and must implement them into actions.

The transparency of the process of decisionmaking on policy issues is also important. The ruling Social Democratic Party of Japan summarily changed its stand on security issues when the Murayama government was inaugurated. That action itself can be said to have been realistic, but there is no question that such change on policy stand has cast doubt on the credibility of the Murayama government internationally.

Questions on the issue of the UNSC permanent membership for Japan should be asked in this context. No one can deny that the current top government leaders like Prime Minister Murayama, Foreign Minister Kono, and Finance Minister Takemura at least until the days of the preceding Hata government had taken negative attitudes on this issue. What is the reason for changing their positions no sooner than they came to power?

We can assume that there have been much discussions within the administration and a conclusion has been made at the end of such discussions, but there has been no explanation on that process in the Diet. The top government leaders must not forget that there had been criticism on the process itself before the pros and cons started on the issue of the UNSC permanent membership.

After Kono delivered his speech, U.S. Ambassador to Japan Mondale gave a news conference, and expressed the U.S. support for Japan's permanent membership in the UNSC, but the evening edition of this newspaper on 28 September, reporting on the stands of the countries in the UN missions, noted that "except for some countries like the United States, reactions were muted." We remember a former Southeast Asian country's ambassador to the United Nations once said, "Japan conspicuously tried to avoid bearing political responsibilities in the United Nations."

Tests for Japan will begin only now.

### Analysts Discuss UN Seat

*OW0110131694 Tokyo GAIKO FORUM in Japanese Sep 94 pp 40-55*

["Dialogue" between Yoshio Hatano, former Japanese ambassador to the United Nations, and Ken Moroi, chairman of Chichibu Cement Co., Ltd., moderated by GAIKO FORUM Chief Editor Kazuki Kasuya, on 1 August; place not given]

[FBIS Translated Text] **Why Is It Necessary To Have a Voice on the Security Council?**

[Kasuya] The problem of Japan's becoming a permanent Security Council member has become a topic for discussion. We would like Mr. Hatano to tell us, on the basis of your past experiences, why it is necessary for Japan to become a permanent Security Council member.

[Hatano] First of all, we should not enshrine the United Nations in a temple by venerating it so much. Each nation is striving and maneuvering in order to make the best use of the United Nations for its own interests. The United Nations is a very worldly place of diplomacy. I have a feeling that unless Japan speaks out in the United Nations, it will be taken advantage of by other nations and will be unable to defend its own interests. In bilateral diplomacy, if Japan keeps silent, the other side will ask, "What are you thinking about?" In multilateral diplomacy, however, a country which does not open its mouth will be ignored. It is for this reason that every country is making a frantic effort to secure a place of prominence in the United Nations. I think UN diplomacy means putting in a word as well as providing money. Of course, it is necessary to give counsel besides putting in a word. From the standpoint of the United Nations, a country which does not give counsel but money will be most welcome. But Japan cannot accept such a thing. In order to give counsel, a country must have a place of speaking by winning an election.

The Security Council is a supremely important place of speaking. In place of all the 184 member nations of the United Nations, fifteen nations make a decision on security issues and their decision has binding power. Furthermore, security issues were originally regarded as military issues, but they are now regarded as social issues, such as famine, refugees, humanitarian aid, and human rights. And all these issues are laid before the Security Council.

This means that unless Japan secures a place of speaking in the Security Council, it will lose the opportunity of speaking concerning important humanitarian and social issues. In Japan there is a view that there are many places of speaking in the United Nations in addition to the Security Council. But this view is a reflection of the ignorance of the actual situation regarding the Security Council. A problem that requires an immediate countermeasure, the recent issue of Rwanda, for example, is discussed first of all by the Security Council. Such a problem may be discussed outside the Security Council sometime later, but by that time it will be too late to draw much attention. Therefore, I think that unless Japan secures a place of speaking in the Security Council, it cannot conduct really efficient UN diplomacy.

There is a view that if Japan becomes a permanent Security Council member, it will have to bear an undue burden. The story may be quite opposite; by becoming a permanent member, Japan will come to exert its influence on resolutions, instead of just following the decision of others. On the other hand, if Japan assumes a passive attitude toward the Security Council member issue, it will incur an increasing criticism for holding "one country pacifism," or for holding the "Japan-is-a-small-country-doctrine" in order to evade its responsibilities. What is important above all is the fact that this chance for an amendment to the UN Charter is the best chance for a substantial amendment to come around in the fifty years since the establishment of the United Nations. This is why every country is so enthusiastic about the amendment. If we miss this chance, the next chance may not come for another several decades. In this sense, the timing for submitting a demand is very important.

### Cooperation With the International Community Is Impossible If Japan Adopts the "Japan-First Policy"

[Moroi] The United Nations was established after World War II. The United Nations began with the victorious nations becoming permanent Security Council members and having a veto. Because of the outbreak of the East-West Cold War immediately after that, the Security Council did not function for a long period of time. Then the Soviet Union collapsed and the East-West Cold War came to an end. On the other hand, regional conflicts have occurred frequently in many parts of the world, and, there being no solution, they have continuously expanded and spread repercussions to neighboring countries, producing refugees and terrorists. The situation is such that a tremendous amount of resources will be needed for recovery even if the solution is found. Thus, since the establishment of the United Nations, the international community has undergone several great changes.

The most serious problems of human society today are regional conflicts and the population explosion in developing countries, the root causes of which are poverty, economic differentials, and others.

If the population of the world is to reach 10 billion in the 21st century, all the people on the earth have to live very close to each other. In the midst of this, if there are no methods to solve conflicts and to live peacefully together, all of mankind will go to ruin, irrespective of developed and developing countries. We are faced with such a serious problem.

In this case, if a people or country have a quarrel with each other on the basis of their own interests, this problem can never be solved. However, peoples and countries actually exist; they cannot be disbanded all at once. Unless each people and country cooperate with each other, the problems cannot be solved. The situation of the international community has come to this serious pass.

In order to solve the problems of all of human society, superpowers of the world having a large population, or enormous economic power, or great military power, should first build a consensus within their own countries, with G-7 industrialized countries and the five permanent Security Council members as the central countries—nine countries in all since three countries belong to the both groups. Then these countries should stir up the public opinion of the international community, and on the basis of such public opinion, the priority order of various problems and the methods of their solution should be clarified, and thus they should solve these problems in concerted effort. In my view, there is no other method other than this.

Then, if Japan, which is an economic superpower and has technology and various human resources, turns away from international cooperation, or follows other countries grudgingly, or keeps silent about its own ideas, or offers as little cooperation as possible, following the "Japan-first principle," it cannot cooperate with the international community.

International cooperation is the duty and responsibility which was naturally imposed on Japan when it became an economic superpower as it is today. It is certain that Japan will be asked to offer such cooperation no matter what attitude it may assume. If that is the case, Japan should, on its own initiative, express its own ideas, or propose rules and methods for solving various problems, thus contributing to the building of an international consensus.

That makes the reform of the Security Council's permanent membership necessary. Japan should become a permanent member and move in that direction.

### Three Problems Concerning the Reform of the Security Council

[Kasuya] Mr. Hatano, there is a criticism that the composition of the Security Council does not match the situation of today. What kind of reform is perceived to be necessary within the United Nations and how strong is that perception?

[Hatano] The basic idea of the United Nations Charter is that security issues should be relegated to 15 countries since if 184 countries have discussions on these issues, it is impossible to cope with extraordinary emergencies. At the writing of the UN Charter, there were 51 member nations, of which 11 nations have become members of the Security Council. Now there are 184 member nations, of which 15 nations decide everything, and the remaining 169 nations just have to follow that decision. This is considered to be unreasonable, producing much dissatisfaction.

Concerning this dissatisfaction, plans to make the operation of the Security Council a little more transparent are in the making by distributing materials to all the member nations before a meeting, or by explaining the progress of discussion to all the member nations after the meeting, or by introducing the system of observers when occasion demands. It is unclear whether or not this degree of improvement will satisfy many nations. Some countries call for the "strengthening of the power of the General Assembly," which will not be approved by permanent Security Council members.

[Kasuya] What kind of opinion is there concerning the future composition of permanent Security Council members, including Japan and Germany, for example?

[Hatano] At the start of the General Assembly, there were 51 member nations, and countries from the North were more numerous than ones from the South. Since then, 133 countries have become members of the United Nations, and almost all of them are countries from the South. Therefore, the balance is tipped overwhelmingly in favor of the South; four-fifths of all the member nations are said to be developing countries. The most weighty claims for a change in the composition of the Security Council are: It is unreasonable that the balance between the North and the South in the Security Council has shown almost no change since its inception. The opinion of the South should be more reflected.

There is not much opposition to Japan's and Germany's becoming permanent members of the Security Council. Japan is strongly urged not to evade its responsibilities, in addition to overwhelming support for it. However, if only Japan and Germany become permanent members, the balance will be tipped in favor of the North again. Ultimately, a package proposal, including several countries from the South, will be made.

[Kasuya] What countries are often named, for example?

[Hatano] India and Brazil are often named. However, candidate countries, except Japan, have neighboring countries which are strongly opposed to their entry into the Security Council. Therefore, a plan which does not specify countries will be possible in the case of the South. Another plan will be to increase the number of countries from the South, but the concrete choice of the countries will be relegated to the area concerned.

I think there are three problems after all. One is that Japan and Germany will become permanent members. The second is that more countries from the South than the North will become permanent members. The third is that there are a large number of small and medium-sized countries which cannot become permanent members and these countries will be more interested in the operation of the Security Council than its composition.

[Moroi] We also are thinking of organizing about 10 permanent members, including Japan. I think the problem is the veto. It will be best for Japan if there is no veto. It is not that Japan should not have the veto. It will be better if there is no veto for all the permanent members, but this will not be accomplished in one stroke. For example, I would like to propose a plan which stipulates: "If two countries exercise the veto, nothing will be done."

And, as you have said, we are moving in the direction so that the number of existing temporary members can be increased a little more and that countries from the South can become temporary members.

[Kasuya] The veto may have been abused as it used to be, but can we say that the veto is less abused now than before?

[Moroi] The problem is when superpowers are involved in conflicts.

[Hatano] The veto is important after all. We have to listen to the permanent members because they have the veto. Since it is useless to decide on the matter which is sure to be vetoed, the opinions of permanent members are accepted at the stage of making a resolution plan. Therefore, "I do not exercise the veto" is quite different from "I do not have the veto." Having the veto makes it unnecessary to exercise it, which is called a pocket veto in the United Nations.

### What Is the Basic Principle of Japan's Diplomacy after the End of the East-West Cold War?

[Hatano] By the way, Mr. Moroi said a very good thing at the beginning. What the developing countries, which comprise four- fifths of the U.N. member nations, expect the most from the United Nations is not, in reality, peacekeeping operations, or human rights issues, or environmental problems. It is "how the United Nations free us from poverty." However, the United Nations has hardly responded to their request. The reason is the "one nation-one vote system." As a result, most of the assistance problems are adjusted and decided by organizations surrounding the United Nations, such as the IMF, the World Bank, and DAC [Development Assistance Committee] of OECD. The idea is that it is donor nations that decide on assistance, and that recipient countries do not need to interfere in the decision. The United Nations has tackled this problem for the past thirty years by establishing UNCTAD [United Nations Conference on Trade and Development], with no remarkable results.

However, since the "one nation-one vote system" is the basic principle of the United Nations, it is impossible to remove this. To criticize the system is as unrealistic as to criticize the veto of five permanent members. How the United Nations should deal with the problem of deliverance from poverty, as well as the problem of assistance is the problem whose importance everyone recognizes but has been unable to draw a conclusion about it. This problem comes up inevitably whenever an amendment to the UN Charter is discussed.

Another thing concerns the necessity that Japan should submit a proposal with confidence. Opinion is always divided in the United Nations on the most important problems. For Japan to express its opinion clearly may lead to making enemies. At present, Japan is regarded as a friend by both the North and the South, and is very popular with them. Speaking of elections, Japan may have polled the maximum vote one out of three times for the past four or five years. When the opinion of the North and the South is divided, for example, Japan's likely proposal will be as follows, to say it on my reflection: "The opinion of this side is right and so is the opinion of the other side. How about taking the golden mean?" If a country does not express its opinion clearly, it will not win respect. I am afraid that having a dislike for making enemies prevents a county from expressing its opinion clearly. Then polling the maximum vote often in the elections may be nothing to be proud of.

[Moroi] Japan has progressed from a developing country to a developed country in only forty years, gaining various experiences during that time. Therefore, Japan should be able to propose various compromising plans in order to find a positive adjustment for the world. However, Japan has had no clear ideas of its own, or a clear vision concerning the future of the world. Japan has simply acted as if to arbitrate a fight between two quarreling parties of yakuza, offering a drink of sake and saying, "Come, come, calm yourself." [laughter] I am afraid of Japan's conducting such a practice repeatedly. As background for this, there may be a fact that politics has not properly played its role as it should have. Politics should fix its eyes on the future course of Japan, saying, "We are going in this direction," and should explain it to the people in order to win their support. It may be all right if Japan acts as a mediator with a clear sense of direction, but it is deficient in this crucial point.

I think the Foreign Ministry is studying these things diligently, but it is not the Foreign Ministry that holds an election. Whether or not a certain matter is supported by the nation must be decided through elections in the final analysis. Political parties must make that matter clear.

Ultimately, it is desirable for ruling and opposing parties to have a consensus of opinion. At any rate, what is the basic principle of Japan's diplomacy after the end of the East-West Cold War? The problem is that such a principle has not been made clear.

### Japan Must Be Prepared To Incur a Grudge If It Wants To Play the Role of Mediator

[Moroi] Concerning the economic issues mentioned before, I would like to propose that an organization like an economic and environmental council, for example, should be established within the United Nations; that the council should also admit permanent members in it; that the council should decide on the assistance to developing nations. For example, assistance to a country which is in the poorest condition and assistance to a country which is about to take off must be different naturally. Assistance to the former country may have to begin with the "three R's" without haste, or food assistance may be the top priority. However, if assistance is offered to excess, that may hinder the agricultural development of that country, or may cause various problems. What is the priority order of assistance, or what is the method of assistance suitable for each country?

To say further, it is inefficient on the whole, or it is not always fair, if each sovereign nation decides on a country to be aided or on the method of assistance on the basis of its own national interests. We had better bring together all the resources of developed countries and decide on their distribution. Assistance must be given out of a fixed amount of money since the resources are limited. In that case, we are faced with various problems, such as the priority order of assistance, the method of distribution, and the rate of allotments to be borne by developed countries. The development in NIEs [newly industrializing economics], ASEAN, and Southeast Asia shows that what Japan did has at least turned out to be successful. It has become evident that if such and such a thing is done, a developing country will take off. And, after that, the environmental problem or the energy resources problem inevitably comes up. Unless these problems are solved beforehand, the continued economic development of developing countries will be impossible.

Developed countries must offer cooperation in this respect, too. What kind of technological developments are developed countries going to pursue? As an exceptional case, are developed countries ready to change their lifestyles and go so far as to discontinue the use of gasoline-powered cars? Unless developed countries do that, they cannot cope with the progress of auto use as in China. I am proposing that an organization like an economic and environmental council should decide on such things.

[Hatano] When I was in Geneva seven years ago, the 7th UNCTAD meeting was held and Foreign Minister Tadashi Kuranari came from Tokyo. The Japanese side had decided that "since UNCTAD is not functioning properly, Japan should propose a constructive plan to make it more active." At that time, surplus funds had accumulated in developed countries and they had been reverted to New York or London. Therefore, Japan proposed: "Since such a situation is not conducive to developing countries, let us think of a means to recycle some of the funds. For this purpose, let us form a group which includes not only developed countries, but also developing countries."

This proposal was greeted with the deep appreciation of developing countries, and THE FINANCIAL TIMES carried a news item on the first page, saying, "The Current 7th UNCTAD Meeting Was Saved by Japan's Proposal," and gained great popularity. However, Japan was severely criticized by developed countries. The United Nations has already had discussions on the economic and environmental council you have mentioned. In my view, however, developed countries will not approve of the decision on the priority order of assistance made by such an organization. Developing countries, on the other hand, will not approve of developed countries having the dominant right of decision.

[Kasuya] It seems that Japan is always asked to mediate between the North and South, and between the West and Asia.

[Hatano] The cases in which Japan volunteers mediation may be more numerous than the cases in which Japan is asked to mediate. Some problems have room for mediation and others do not. For example, the North and the West have a divided sense of value concerning human rights, which has placed Japan in a predicament. The Asian side says to Japan: "Since you are from Asia, you will, of course, explain Asian sense of value to the Northern side, will you not?" The Northern side says: "It is said that Japan believes in Western democracy and has the same sense of value as Europe and the United States. We would like Japan, a superpower in Asia, to explain our sense of value to Asia." Therefore, we must be prepared to incur a grudge if we are to play the role of a mediator. I do not mind Japan incurring a grudge if it is respected by volunteering mediation, because this will strengthen its right of speaking in the end.

### How Can Japan Gain Credibility in the United Nations?

[Kasuya] Recently, Brzezinski has published a sensational book entitled "Out of Control." He has posited a very pessimistic idea that the situation of the world will become uncontrollable in the 21st century. Accordingly, I think the United Nations has a responsibility for building a controllable world. What is the biggest problem in this respect?

[Hatano] The role of the United Nations is limited; it may be dangerous to expect too much from the United Nations. In my view, it is in the social field that the activity of the United Nations has been most effective until recently. The economic field, be it aid or trade, has been disposed of outside the United Nations. And the political problem has been dormant until recently due to the East-West Cold War. Consequently, the United Nations has produced achievements in social fields, such as the population problem, refugees, human rights, humanitarian aid, the environment, hygiene, and the status of women. It is safe to say that the financial cooperation of Japan has made it possible to tackle the population problem until now. However, it is UN member nations that have to build a controllable world, with the United Nations giving a hand in that endeavor.

[Moroi] With the end of the East-West Cold War, the existing Western alliance, which is a military alliance, has lost its enemies. In short, the Western alliance has broken up, losing its common goal. As a result, developed countries of the West have begun to focus their attention on economic friction with each other, which I think is a very unfortunate thing.

What each country is doing now is to reduce its own unemployment and to force it on its partner. This is exactly what is happening between Japan and the United States. A similar problem is also happening between the

North and the South, which makes the solution of world problems totally impossible. In short, if each people and country make a move solely for their own economic interests, human society becomes uncontrollable.

Therefore, in principle, it is necessary to make the situation of the world economy increase on the basis of the economic growth of developing countries. If developed countries make further economic progress, the gulf between developed and developing countries will widen more and more. Unless the economies of developing countries are promoted, the problems of regional conflicts and population explosion will not be solved. Therefore, we must make developing countries take off. For this purpose, the problems of the environment and energy resources must be solved beforehand.

In doing that, however, the living conditions of mankind must not deteriorate. There must be a cumulative positive, with developing as well as developed countries making progress. And, unless we write a scenario in which there is neither the exhaustion of energy resources nor the deterioration of the environment, we cannot solve the problems we face.

Therefore, so long as each developed country opposes the establishment of an economic and environmental council, thinking solely of its own national interests, human society will go to ruin. I think it quite proper that Japan should continuously stress this point resolutely. When we talk about a grand design for the world at an international conference, people from developed countries are extremely indifferent about it as if to say, "It is impossible to accomplish such a dreamlike scheme." However, they shut their mouths when we ask them, "Are there any solutions? You, too, admit that the problems mankind faces are fatal ones, do you not?" I think Japan's continuous insistence on this matter has a deep significance on its diplomatic stance.

[Hatano] Efforts have been made to operate the existing Economic and Social Council, as well as UNCTAD in the way you have mentioned. However, the past thirty year history of UNCTAD shows that developing countries have passed the resolutions beneficial to them by an overwhelming majority vote. Developed countries, however, have not been cooperative to such resolutions. This has been the history of the United Nations in the economic field. What Mr. Moroi has just said makes good sense, but unless we set the cooperation between developed and developing countries as a premise, we may end up providing a new place of confrontation between the North and the South through the establishment of an economic and environmental council.

[Moroi] Let us suppose that we establish an economic and environmental council; admit almost all of the developed countries as permanent members, just like permanent members of the Security Council; and admit representatives of developing countries as well. Is it impossible for such a council to make a decision with some authority?

[Hatano] If the composition of the council is in favor of the North, the South will....

[Moroi] This is not a question of the composition of the council, because it is the North that provides assistance. Therefore, the North side should say to the South, "We would like to do it according to this rule. We want you to express your opinion on the rule, and we will of course listen to your opinion. Nevertheless, we will follow that rule." Assistance funds are limited, therefore the story boils down to this: "If developed countries do nothing, it is developing countries that suffer."

[Hatano] The basic principles of the UN Charter are: "All countries are equal under the sun; each nation has one vote; decisions will be made by the General Assembly; the Security Council is the only exception." It can be said, therefore, that only the Security Council is functioning efficiently in making a decision. Four-fifths of the members of the General Assembly are developing countries; therefore, they will never approve of the establishment, under the General Assembly, of a new organization in which the developed countries have the overwhelming right of speaking. In that case, assistance other than humanitarian aid may have to be carried out outside the United Nations after all.

[Moroi] In short, this is the problem of developed countries assisting the South and deciding on various rules or allotments for the assistance. If the South refuses to accept these, we had better insist: "Then we are going to make a rule by ourselves. Those who accept assistance according to this rule, please step this way." We might as well establish a second United Nations and others. We are confronted with a matter of immense magnitude. If we do nothing, the whole of mankind will go to ruin. I wonder why we cannot prevail on developing countries to accept our assertion.

[Hatano] Concerning the role of a mediator mentioned before, if Japan wants to have the right of speaking and the powers of persuasion in the United Nations, offering only advice goes for very little and even providing money is not enough. I think Japan must secure a place of speaking in the Security Council and that at the same time it must always accumulate actual results in peacekeeping operations. For example, it is a well-known fact that concerning peacekeeping operations, Japan must act within the limits of five principles and 2,000 Self-Defense Force personnel. The problem is that the question and expectation is raised that Japan should be able to do more, even within those limits. Unless Japan does that, it will continued to be criticized irrespective of the permanent member issue; and if Japan does that, it will not be troubled with additional demands even after becoming a permanent member. Even if we advocate a lofty ideal, there is no persuasive power in it and we will incur criticism unless we can show actual results. This is a difficult point.

[Moroi] I understand that very well. To hold, without hesitation, a discussion like the one I am holding now is to take, in a sense, a countermeasure against the criticism that Japan is "faceless."

Such a problem cannot be solved unless we gain a consensus of opinion within Japan first of all. Nothing can be done under the following circumstances: "Let us do it later." "Public opinion is divided on it within Japan."

[Hatano] The problems of the environment and energy resources are, of course, important, but Japan is also expected to provide personnel cooperation in addition to money. In this respect, I place my hope on Japan's nongovernmental organizations. I feel that Japan is still behind Europe and the United States in nongovernmental organizations. If Japan is poor at cooperation except providing money, its position will remain weak.

[Moroi] I understand that very well. In the first place, regional conflicts cause the problem of peacekeeping operations; economic poverty causes the problem of refugees. I think it quite proper to persuade everybody to correct the root causes of these problems. I think the solution of these problems will entail not only money, but also personnel contributions and others.

[Kasuya] Thank you very much.

### Chinese Ambassador Protests Hsu-Yosano Meeting

*OW0310135894 Tokyo KYODO in English 1328 GMT 3 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 3 KYODO—China's Ambassador to Japan Xu Dunxin on Monday [3 October] protested a meeting Sunday between Japan's Education Minister Kaoru Yosano and Taiwan's Deputy Premier Hsu Li-te at an Asian Games welcome party in Hiroshima, Foreign Ministry officials said.

Xu told Vice Foreign Minister Kunihiko Saito that the meeting contravened the spirit of a Sino-Japanese joint communique signed in 1972 between then Chinese Premier Zhou Enlai and then Japanese Prime Minister Kakuei Tanaka, the officials said.

That communique states that Japan recognizes the People's Republic of China as the legal government of China and the island of Taiwan as an integral part of China's territory.

Relations between Taiwan and Japan are limited to a private or unofficial level. Hsu is the highest ranking Taiwanese Government official to visit Japan since Tokyo switched its diplomatic relations from Taipei to Beijing in 1972.

Hsu and Yosano reportedly exchanged name cards and chatted for a few minutes at the party Sunday.

Hsu flew to Hiroshima on Saturday to attend the opening ceremony of the Oct. 2-16 Asian Games. He is chairman of the 2002 Asian Games Special Committee, a Taiwanese Government panel set up to bid for games being held in Taiwan.

The officials said Saito told Xu that Japan admitted Hsu in his capacity as a sporting official and does not believe Hsu will do anything to contravene this.

Chief Cabinet Secretary Kozo Igarashi told reporters Monday the meeting between Hsu and Yosano took place in a crowded party and was a simply exchange of greetings and name cards.

Igarashi indicated the government considers the action within Hsu's status as a sports official.

Igarashi said Hsu plans to meet several Japanese Diet members in Tokyo in connection with his role as head of Taiwan's 2002 Asiad bidding committee.

Hsu was originally scheduled to meet with pro-Taiwan Liberal Democratic Party parliamentarians while in Japan, but the lawmakers have indicated they may not go ahead with the meeting due to government pressure.

Asked for comment on a possible meeting, Igarashi said, "It depends on exactly what circumstances and what type (of meeting)."

### Taiwan's Hsu Arrives To Meet 'Old Friends'

*OW0410102994 Tokyo KYODO in English 0943 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—Taiwan's Deputy Premier Hsu Li-te on Tuesday [4 October] flew to Tokyo from Hiroshima to meet "old friends" among Japan's legislators, sparking worries for the Japanese Government over whether he will keep his pledge to stay out of the political arena.

Hsu, who arrived from an unofficial mission to Hiroshima where he attended the opening ceremony for the ongoing Asian Games, is the highest-ranking Taiwanese politician to visit Japan since Tokyo switched diplomatic recognition from Taipei to Beijing in 1972.

"I'm happy to have been able to come to Tokyo," Hsu said upon arrival at Haneda Airport as more than 100 Chinese residents in Japan welcomed him.

Asked if he will meet Japanese lawmakers, Hsu said his schedule is still being arranged but added he would meet them if they come.

Beijing, which has already harshly criticized Tokyo for granting Hsu entry into Japan, is closely watching the Taiwanese leader's activities. It has threatened to take retaliatory measures should Japanese politicians receive Hsu.

Earlier, in response to pressure from China, Taiwan's President Li Teng-hui canceled plans to attend the Asian games.

Foreign minister and Liberal Democratic Party (LDP) President Yohei Kono said earlier Tuesday he has urged LDP legislators to avoid all contact with Hsu.

Taiwanese diplomatic sources said Hsu is scheduled to meet over dinner Wednesday with a number of legislators belonging to a pro- Taiwan group of legislators. The Japan-Taiwan parliamentarians consultative group, however, dropped a plan to hold a luncheon reception to honor Hsu, the sources said.

At an Asian Games dinner reception Sunday, Hsu chatted with Japanese Education Minister Kaoru Yosano for several minutes, but the Taiwanese insisted the encounter was nothing but an exchange of courtesies.

Hsu, who went to Hiroshima in his capacity as chairman of Taiwan's bidding committee for the 2002 Asiad, nonetheless met International Olympic Committee (IOC) President Antonio Samaranch and high-ranking delegation members from several countries.

Beijing, which regards Taiwan as a rebel province, has denounced such moves as "sports diplomacy" and thinly veiled efforts to create "two Chinas."

In interviews with Japanese newspapers published Tuesday, Hsu insisted he is free to meet Japanese officials and hinted at his own impatience with political restrictions on his visit. But Taiwanese sources said Hsu will try to appease Beijing by giving such meetings a casual character.

The deputy premier is scheduled to return to Taipei on Thursday.

### Visits Cenotaph in Hiroshima

*OW0410061194 Tokyo KYODO in English 0556 GMT 4 Oct 94*

[FBIS Transcribed Text] Hiroshima, Oct. 4 KYODO—Taiwanese Deputy Premier Hsu Li-te, in Hiroshima to promote Taipei's bid to host the 2002 Asian Games, took time out Tuesday [4 October] to lay a wreath at the cenotaph of atomic bomb victims at Hiroshima Peace Park.

Japan's decision to allow Hsu to visit Japan provoked protests from Beijing which claims sovereignty over the island republic. Hsu is the highest ranking Taiwanese official to visit Japan since Japan and China normalized diplomatic ties in 1972.

Hsu, accompanied by his wife, visited the park Tuesday morning and offered a flower bouquet at the cenotaph in his capacity as Taiwan's deputy premier.

China denounced Japan's decision to allow Hsu's visit as a breach of the principle under which the two countries have maintained relations since 1972.

"I'm here in my capacity both as deputy premier and chairman of the 2002 Asian Games Bidding Committee," Hsu told accompanying reporters.

### Kono Urges No LDP Contact With Taiwan's Hsu

*OW0410064794 Tokyo KYODO in English 0633 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—Foreign Minister and Liberal Democratic Party (LDP) President Yohei Kono said Tuesday [4 October] he has urged LDP legislators to avoid all contact with Taiwan's Deputy Premier Hsu Li-te, who arrived in Japan on Oct. 2 on an unofficial mission to attend the Hiroshima Asian Games.

Kono, who returned over the weekend from the United States where he attended the UN General Assembly and wrapped up a trade agreement with the U.S., made the statement at a news conference.

Meanwhile, in a separate news conference, LDP Secretary General Yoshiro Mori told reporters that Kono has passed instructions to him while still in the U.S. but denied that the instructions amounted to a ban on contact with the Taiwan official.

"Whenever LDP legislators contacted me to inquire about the advisability of meeting Hsu, I told them to refrain from meeting him," he said. "However, (my replies) did not amount to placing binding restrictions on the activities of each legislator who belongs to our organization (LDP)," Mori said.

Despite the ban, pro-Taiwan legislators led by former Education Minister Masayuki Fujio defied the party leadership by declaring they would stick to a plan to hold an unofficial consultative meeting with Hsu. However, the Japan-Taiwan Parliamentarians Consultative Group dropped a plan to hold a party to honor Hsu on Wednesday.

Kono and Mori made the statements after Chinese Ambassador to Japan Xu Dunxin visited the Foreign Ministry on Monday, demanding the Japanese Government guarantee that Hsu would not engage in political activities of any kind during his stay in Japan.

In interviews with Japanese newspapers published Tuesday, Hsu insisted he is free to meet Japanese officials and hinted at his own impatience with political restrictions on his visit. Earlier, in response to pressure from China, Taiwan's President Li Teng-hui canceled plans to attend the Asian games.

In an interview with the YOMIURI SHIMBUN newspaper, Hsu was quoted as saying "it is unthinkable for me not to have any contact with high-ranking officials at all" during his visit to Japan. "It can't be denied some people believe that there is a political meaning to my visit to Japan, but my purpose is to attend the Asian games," Hsu said. "Japan is an economic superpower in the international community and therefore Japan carries a grave political responsibility. I want Japan to deal with this problem from a long-term perspective," Hsu said in the interview.

Hsu's comments drew a quick reaction from the Japanese Government, which expressed displeasure with the interview. Hsu's statement "constitutes a breach of promise," a government source said Tuesday. Hsu "should have said his visit does not carry any political implications," he said.

However, the government source described the planned meeting between Hsu and pro-Taipei LDP legislators as a mere friendly get-together, saying, "he is just trying to meet his old friends." Hsu "had promised not to meet (Japanese) cabinet ministers," he added.

## Reports on Issues Related to Tax System Reform

### MOF's Concession Noted

*OW0210091894 Tokyo TOKYO SHIMBUN in Japanese 23 Sep 94 Morning Edition p 3*

[From the "Core" column by economic reporter Hironori Kibun: "Finance Ministry the True Winner?—A Step Toward Another Consumption Tax Hike"]

[FBIS Translated Text] On 22 September, the cabinet approved the "tax reform outline" proposed by the three ruling parties. While debates on tax reform have been carried on by the government's Tax System Council at the initiative of the Ministry of Finance [MOF], the ruling parties' demand caused a setback for the ministry's tax increase strategy—after all, the MOF's proposal for a 7 percent "public welfare tax" was scrapped. The following is a report on the MOF's frustration with the tax reform process.

Shortly after 1400 [0500 GMT] on 20 September, U.S. Undersecretary of Treasury Lawrence Summers called on Finance Minister Masayoshi Takemura. Summers looked a little nervous about the mere 20 minutes given to him for the meeting, but he told Takemura in strong tones: "Japan's economy has not fully recovered yet. The Japanese Government should maintain pump-priming efforts for the time being."

Summers was alluding to the MOF's intention to shorten the time lag between an income tax cut and consumption tax hike from three to two years. Summers stressed: "Japan gave a commitment of three years to the United States."

In negotiations with the ruling parties' tax reform task force, the MOF has insisted on the "two-year time lag" to save revenue for the income tax cut. In fact, the tax increase after "two years" was clearly noted in a proposal from the ruling coalition's policy makers, which was submitted by the Liberal Democratic Party [LDP] Policy Research Council's Chairman, Koichi Kato, to the coalition summit talks on the evening of 20 September.

Finance Minister Takemura has said: "Japan's international commitment is about expansion of the domestic market, not a three-year suspension of tax hikes." In line with this, the MOF thought Takemura (head of Sakigake [Harbinger]) could persuade the top leaders of other two ruling parties.

However, the 20 September summit showed unexpected developments.

At the beginning, Foreign Minister Yohei Kono insisted on three years "in consideration of the United States." This determined the mood of the meeting, and Takemura could not argue his "two-year" plan anymore.

The foreign minister's strong support for the three-year plan was backed by a tie-up between the Foreign Ministry and Ministry of International Trade and Industry as they have to settle the Japan-U.S. Economic Framework Talks very soon. The Tokyo visit by Summers frightened the ministries' officials. On the night before the coalition summit, they phoned members of the LDP Tax System Council one by one, and stressed: "The two-year plan will certainly ruin the framework talks." To prevent an MOF roll back, the two-year plan was incorporated into the tax reform outline draft. However, the LDP policy makers agreed to urge the LDP president to strongly insist on the three year plan.

A senior MOF official uttered the word "unbelievable" when he heard of the LDP move, and showed his anger: "What will they do if the economy becomes bad again in three years?"

The coalition's "MOF bashing" continued on 21 September.

The Social Democratic Party of Japan [SDPJ] opposed the simultaneous legislation of an income tax cut and consumption tax hike until the very last moment of interparty negotiations. In a concession, the SDPJ urged reinforcement of welfare policies for low-income classes who would not benefit from an income tax cut. As a tangible measure, the SDPJ urged early implementation of the so-called New Gold Plan (10-year plan for promoting welfare policies for the aged) proposed by the Health and Welfare Ministry.

After the coalition summit, Finance Minister Takemura determined his course of action to deal with the difficult situation: "I should attach importance to the coalition accord. I cannot stick to my personal opinion any longer." He then summoned Administrative Deputy Finance Minister Jiro Saito and Budget Bureau officials to request "consideration for the SDPJ."

Expenditures for the New Gold Plan have not yet been incorporated into the 1995 budget because revenue resources are provided in the reformed tax system. The Budget Bureau staff expressed frustration with Takemura who is "leaning toward his position as a party leader rather than as finance minister." An official said: "The MOF has not yet assessed the program. How can we make a budget without assessment procedures?"

Nevertheless, the Budget Bureau finally accepted Takemura's request to "submit a budget plan to the prime minister on the morning of 22 September." Finally, the bureau had to promise expenditures of 300 billion yen in the next two years.

At that time, the Tax Bureau, next door to the Budget Bureau, was very quiet because " the tax reform issue is no longer a pending issue of the Tax Bureau."

As the aged population increases in Japanese society, another increase in consumption tax will become inevitable. The government's decision on a consumption tax hike to 5 percent is a steady step toward the Tax Bureau's attempt to introduce a 7 percent "public welfare tax."

A senior Tax Bureau official said: "The heavy door of consumption tax is going to move for the first time in eight years. That is a very important point. The Tax Bureau will eventually take revenge for the Budget Bureau." In a dry tone, he expressed a sense of relief on completion of a long-awaited consumption tax hike, and at the same time, hinted at the MOF's secret desire for further increases in tax.

### Party Politicians Debate

*OW0210114194*

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 2 October carries a live 75-minute panel discussion during its regular "Sunday Discussion" program. The discussion conducted at the NHK Studio in Tokyo is moderated by NHK commentator Takshi Yamamoto. Participants are Yoshiro Mori, secretary general of the Liberal Democratic Party [LDP] who is in Ishikawa Prefecture and joins the discussion through TV hookup; Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ] who is in Sapporo Prefecture; Yukio Hatoyama, chief secretary of Sakigake [Harbinger]; Kozo Watanabe, acting chief secretary of Shinseito; Takenori Kanzaki, Komeito floor leader; Kansei Nakano, secretary general of the Democratic Socialist Party [DSP]; Kazuo Shii, secretary general of the Japan Communist Party [JCP]; and Chief Cabinet Secretary Kozo Igarashi.

Referring to the opposition boycott of the prime minister's key policy speech on the opening day of the extraordinary Diet session, Yamamoto begins the panel discussion by asking Kubo if there was no way of avoiding it. In response, Kubo says it is regrettable that they did not attended the session of key policy speech and hopes that both sides will have through discussions for normalization of the Diet session. Kanzaki says that the opposition side had no choice but to boycott the speech because the ruling parties forcefully started the session. Watanabe says it was a matter of principle because the post of lower house vice speaker was traditionally given to opposition side, the parliamentary group Kaikaku in this case, to maintain the balance of power in the chamber. Asked if the opposition parties will attend the Diet session tomorrow, Kanzaki demands three conditions for normalization of the situation. He says that the prime minister needs to deliver his policy speech again, that the ruling parties need to "confirm" Diet rules on appointment of vice house speaker, and that the opposition side will submit a nonconfidence motion against House Speaker Takako Doi. But, Mori flatly refuses to accept the demands.

Yamamoto asks Kanzaki if a strategy of the opposition parties is to drive the prime minister dissolve the lower house for a general election. Kanzaki answers that is not what they want. He says: "I think [the lower house] should not be dissolved under the current medium-sized precinct system." Kubo agrees with Kanzaki on this point.

Yamamoto changes the topic of discussion to the tax reform and asks Igarashi to comment on the government's tax system reform plan. After explaining significance of the outline of the tax system reform, Igarashi says it was the best plan the government could come up with under the current circumstances. But, Nakano says: "I cannot understand at all what the [government's] tax system reform plan is for." He points out that the people will have to pay more than what they are paying now if the tax system reform plan is approved. Shii also says that the plan is unfair to most of the tax payers and that it is designed to ease tax burden of only high- income people.

Touching on Prime Minister's policy speech regarding administrative reform, Yamamoto asks if the government will actually reduce the scale of government-affiliated special organizations. Igarashi answers: "We will have concrete plans for reviewing the government-affiliated special organizations by the end of this year. This is not the only measure of the administrative reform." He goes on to explain the need to promote administrative reform and to distribute some of administrative power of the central government to local autonomies. Kubo says that administrative reform is indispensable for trimming government expenditures.

Asked whether the opposition parties will submit an alternative tax reform plan or demand revision of the government's plan, Nakano says: "We will map out our own concrete tax reform plan."

On how the opposition side will deal with the Diet session, Kanzaki says: "Through debates during the current Diet session, we will do our best to force the Murayama administration to resign."

### Cabinet Approves Reform

*OW0410055394 Tokyo KYODO in English 0544 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—The government approved Tuesday [4 October] a framework for the national portion of comprehensive tax reform to begin drafting a package of related bills for submission to the current extraordinary Diet session.

The framework, endorsed at a morning cabinet meeting, is in line with the national and regional tax reform package decided by the government and the ruling parties late last month. With the approval, the Finance Ministry will starting drafting reform bills for submission to the Diet possibly next week, ministry officials said.

As its centerpiece, the framework calls for cutting the national income tax by 3.80 trillion yen in fiscal 1995 to continue a tax cut of the same amount in the current fiscal year that began in April. But unlike the current tax measure conducted on a uniform 20 percent cut, the new plan is under a two-tier method of trimming 2.42 trillion yen. It includes overall reform of the progressive levy system as a permanent measure and a reduction of 1.38 trillion yen with a uniformed 15 percent cut as a special economic stimulus.

The framework includes a provision to continue a tax cut by the same amount in fiscal 1996 but allows for stopping the special stimulus "if the economy recovery substantially."

As for the 3 percent consumption tax, the national government plans to hike it to 4 percent in April 1997, resulting in annual revenues of 2.38 trillion yen. But, the actual new tax rate will be 5 percent when a 1 percent regional consumption tax to be established at the same time is included.

The framework also calls for a provision to review the tax rate by the end of September 1996 in line with fiscal conditions involving welfare spending, planned administrative and fiscal overhauls, and economic trends.

Under estimates included as a reference, reduction of regional residence taxes will be 1.66 trillion yen with 1.03 trillion yen for permanent trimming and 631 billion yen for the special measure. The new 1 percent regional consumption tax will yield 2.45 trillion yen.

## Revenue Estimates Under Reform

*OW0410060394 Tokyo KYODO in English 0549 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—The following are estimates of revenue changes under the tax reform, which were included as a reference material in the framework for the national tax portion endorsed by the cabinet Tuesday (figures are in billions of yen with a minus sign representing lower revenues):

| **National taxes** | |
|---|---|
| Income tax cuts | -3,800 |
| Permanent reform | -2,424 |
| Uniform cut | -1,376 |
| Consumption tax reform | 2,645 |
| Tax hike | 2,385 |
| Special treatment reform | 261 |
| total | -1,155 |
| Regional taxes | |
| Resident tax cuts | -1,660 |
| Permanent reform | -1,029 |
| Uniform cut | -631 |
| Regional consumption tax | 2,449 |
| **Total** | **789** |

## MAINICHI Supports Tax Hike

*OW0410114994 Tokyo MAINICHI SHIMBUN in Japanese 23 Sep 94 Morning Edition p 3*

[By Ken Matsuki of MAINICHI SHIMBUN economic department]

[FBIS Translated Text] The government and ruling parties agreed to treat a bill for the increase and decrease of taxes, in which a plan to increase the consumption tax to 5 percent will be clearly spelled out, as a package. In this regard, the financial authorities are appraising the agreement, saying that "they have barely managed to avoid the crisis of financial bankruptcy" (according to a senior official of the Ministry of Financial Affairs [MOFA]). However, it seems inevitable that demands will grow for an increase of expenditures, including expansion of welfare measures. After approving the budget for fiscal 1994, MOFA will be forced to practice severe financial management to be able to avoid issuance of deficit covering bonds.

MOFA insisted on the need to clearly spell out in the bill an increase of the consumption tax rate and the time for implementing the consumption tax hike. MOFA did that because it could not expect support from the people if the bill was only for increasing taxes. Moreover, since an upper house election is scheduled next year, it may become difficult for the ministry to even study the possibility of a tax hike.

The concept of national welfare tax, which was announced in February, collapsed due to strong opposition from the Social Democratic Party of Japan [SDPJ], which was a member of the government at that time. In June, a new administration—composed of the SDPJ, the Liberal Democratic Party [LDP], and Sakigake [Harbinger]—took power from the former coalition, which was actively seeking tax system reform. Because of this, the plan to increase the consumption tax rate started with a clean slate. However, MOFA tenaciously said: "We will increase the consumption tax rate by all means even if we have to reduce the scale of permanent tax reduction and the percentage of tax hike."

A senior LDP official sarcastically said: "It is typical of bureaucrats to change their stand quickly." Nevertheless, MOFA officials quickly became intimate with former Prime Minister Noboru Takeshita and asked for his understanding of the tax hike. Among other things, MOFA bureaucrats, as a gesture to give consideration to the SDPJ, accepted the idea of introducing a local consumption tax, which they had taken no notice of before, and agreed to reduce the increase of the consumption tax hike. They did not care how they looked but tried to realize a consumption tax hike.

Moreover, at the final stage of persuading the SDPJ, they even performed a "feat" by agreeing to the idea of partially implementing the New Gold Plan—which will have some impacts on the FY-1995 budget the ministry is now mapping out—ahead of a targeted date.

What MOFA submitted to the SDPJ on 21 September as a welfare measure was a plan to earmark 400 billion yen for a partial implementation of the New Gold Plan from FY 1997. At the same time, the plan is also designed to give temporary benefit to bedridden aged and other people. However, SDPJ Secretary General Wataru Kubo rejected the proposal, saying that "we cannot agree to it." Because of this, MOFA decided in a single night to implement the welfare program ahead of the targeted date by appropriating 100 billion yen in FY 1995 and 200 billion in FY 1996. This decision served as the final push in persuading the SDPJ to make a compromise.

However, a tax bureau official said that "all we can do is cover a financial shortfall, which will be created by the permanent tax reductions, and the repayment of the emergency bonds, which will be issued for implementation of the tax reduction measures ahead of the targeted date," because the consumption tax increase was confined to 5 percent.

## Opposition Ends Diet Boycott Over Vice Speaker

*OW0410094694 Tokyo KYODO in English 0922 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—Opposition parties ended their Diet boycott Tuesday [4 October] after reaching a compromise with the ruling coalition over the post of vice speaker of the House of Representatives.

Legislators from the newly formed unified opposition parliamentary group Kaikaku (Renovation) attended a plenary session of the lower house Tuesday evening.

At the session, Foreign Minister Yohei Kono briefed lower house members on his talks with U.S. Trade officials and his speech to the UN General Assembly.

At a meeting of the lower house Steering Committee, the ruling coalition and opposition agreed to hold question-and-answer sessions Wednesday and Thursday on Prime Minister Tomiichi Murayama's policy address, party officials said.

It will be the first full-fledged interpellation since Murayama took office in late June as Japan's first socialist prime minister in nearly five decades.

As for the vice speaker post, currently held by the Liberal Democratic Party (LDP) led by Kono, the two sides reached agreement that they will "make efforts to try to reach a conclusion during the current Diet session."

Kaikaku legislators boycotted Murayama's speech Friday at the outset of the current extraordinary Diet session, demanding that it be allowed to fill the vice speaker post.

Kaikaku had threatened to push through a no-confidence motion against lower house Speaker Takako Doi, a former leader of the Social Democratic Party (SDP), after Doi opened the Diet session despite the Kaikaku boycott.

But the opposition bloc softened its stance over the issue Monday.

Kaikaku, with 187 members including former Prime Ministers Toshiki Kaifu, Morihiro Hosokawa and Tsutomu Hata, is the forerunner to a planned new party of noncommunist opposition parties to rival Murayama's three-party coalition with a combined strength of 295.

Kaikaku is the second largest Diet group in the 511-seat lower house following the LDP, which forms the ruling coalition with the SDP and the LDP splinter group new party Sakigake [Harbinger].

The LDP had held the post of lower house speaker and the SDP that of vice speaker since 1976.

But in August last year when the former ruling coalition government of then Prime Minister Hosokawa, in which the SDP was a member, took power from the LDP, Doi was named speaker, while the post of vice speaker was given to the LDP.

Key issues on the agenda of the 65-day extraordinary Diet session are a bill to redemarcate Japan's electoral districts under a new electoral system, tax reforms and ratification of the Uruguay Round multilateral trade package.

## Cabinet Approves Electoral Reform Bill

*OW0410042294 Tokyo KYODO in English 0402 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—Japanese electoral reform neared completion Tuesday [4 October] as the cabinet approved a bill that remaps the nation's political geography by setting new electoral districts in the critical House of Representatives.

The bill carves out 300 new single seat constituencies in the lower house and limits a preparatory period to publicize the new electoral system to one month, officials said. The bill will be submitted to the both chambers of the Japanese Diet for approval, they said. The Diet kicked off a 65-day extraordinary session Friday.

The bill is supported by both the ruling coalition and opposition parties except the Japanese Communist Party. The bill is likely to be enacted as early as November.

The new system replaces the current constituencies, which have multiple representatives, with a mix of 300 single seat districts and a proportional representation system under which the remaining 200 seats will be filled. The lower house currently has 511 seats.

Once the redistricting bill goes into law, it will trigger a second piece of legislation that authorizes a 30.5 billion yen annual subsidy for political parties based on the number of seats that each party has in both the lower house and the House of Councillors. The redistricting bill was intended to address a much-criticized imbalance between the representation of lightly populated and heavily populated districts, such as Tokyo.

Under the old system, underpopulated districts had almost three times more voting power than more densely populated districts. However, the gap is still as great as 2.226 to one, according to calculations made by the home affairs ministry using 1994 census results.

The home ministry's report last August said 41 of the new districts will have a voting weight double that of the more heavily populated districts.

### Coalition, Opposition in Dilemma Over Differences

*OW0410114094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Oct 94 Morning Edition p 2*

[FBIS Translated Text] On 30 September, the extraordinary Diet session made a rough start with opposition parties, except the Japan Communist Party, boycotting Prime Minister Tomiichi Murayama's policy addresses to the upper and lower houses. To secure the unity of the coalition government, the ruling parties intend to enforce next week's Diet agenda even without opposition's participation, although the Social Democratic Party of Japan [SDPJ] is taking a flexible attitude. On the other hand, the opposition parties intend to continue their tough stances, calling for a no-confidence motion against lower house Speaker Takako Doi [of the SDPJ), who rejected their proposal to postpone the Murayama address. Yet, this hardline strategy to demonstrate merging parties' unity ironically showed their weakness when some lower house members refused to boycott the session.

#### Opposition Parties

On 30 September, the "Kaikaku [Reform]," a lower house floor group recently formed by opposition parties, carried through its hard-line stance under the leadership of Shinseito [Japan Renewal Party] Secretary General Ichiro Ozawa who said, "we should go our own way." However, the ruling parties unexpectedly opened the session. This created a stir in the opposition's unity, and even Takenori Kanzaki, "Kaikaku" Diet Affairs Committee acting chairman, did not really know what would happen next week. Takeo Nishioka and five other members of the former Kaikaku-no-kai did not join the boycott adopted without approval of rank-and-file members. The failure to demonstrate the opposition's unity may again arouse an anti-Ozawa mood among liberals.

The Kaikaku held a Diet Affairs Committee meeting on the evening of 30 September, and determined its stance to 1) submit a no- confidence motion against lower house Speaker Takako Doi early next week for enforcing the Murayama address and 2) urge Murayama to do the policy address over. Immediately after that, Takeshi Noda, Kaikaku Public Relations Committee head, issued the following statement: "The ruling parties occupy posts of the speaker and vice speaker of the lower house, and the opposition is kept out of Diet administration procedures. I have never heard of such a high-handed attempt before in my life."

While "Kaikaku" is aiming at the vice speaker post, it is now attacking Speaker Doi . Since the SDPJ's top concern is stabilization of the Murayama Cabinet, the party seemed to react positively about concessions with the opposition. However, "Kaikaku" leaders are becoming stubborn, and are watching the coalition's attitudes until next week.

On 29 September, the "Kaikaku" Diet Affairs Committee decided to boycott the 30 September session, presuming "the coalition would not open the session without us." The next day, Ichiro Ozawa encouraged "Kaikaku" leaders to "go ahead" but he did not talk about tangible plans. When the coalition decided to enforce the Murayama address, Kanzaki and Noda had to hurriedly met Speaker Doi to postpone the session.

Rank-and-file dietmen of the "Kaikaku" were not informed of such moves, and they did not know if the boycott was really necessary. Former "Kaikaku-no-kai" members, led by Nishioka, decided to attend the session despite the floor group decision. Japan New Party members were not very happy about the boycott, but they accepted the party policy. In this connection, they reacted strongly to those who did not follow the decision.

At the Shinseito dietmen's assembly meeting, "Kaikaku" representative Tatsuo Ozawa severely criticized Hajime Funada, who gave a briefing the party leadership's decision. Other rank-and-file members also criticized party leaders, saying: "The assembly meeting is meaningless if it is for ex post facto approval only. We want the Kaikaku's assembly meeting now." It looked like Shinseito's unity was in crisis.

#### Ruling Parties

On 30 September, the coalition parties clarified a tough stance toward "Kaikaku," determining a 65-day term for the Diet session and adopting the Murayama address without opposition approval. The coalition is reacting strongly to the opposition now led by the Shinseito's Ichiro Ozawa, and it has no intention of yielding to the opposition for the time being. However, the SDPJ showed concern over the head-on conflict from the very first day of the Diet session, and, in this sense, the coalition does not really have a uniformed policy toward the opposition. Since the coalition government is supposed to deal with difficult issues—such as political and tax reform—during the session, confrontation with the opposition may make the issues even more difficult. In fact, the three ruling parties' Diet Affairs Committee heads met on the day to readjust their policies.

The Diet session started with confusion, and it is still uncertain when its agenda will be normalized. In a news conference, LDP Secretary General Yoshiro Mori stressed that the coalition would not make any concessions to "Kaikaku" on the Diet's future agenda. Floor leaders of the coalition agreed to "criticize the opposition's boycott, but try to normalize the session with their participation."

## Poll Shows Majority Interested in New Party

*OW3009150094 Tokyo YOMIURI SHIMBUN in Japanese 29 Sep 94 Morning Edition p 1*

[FBIS Transcribed Text] The results of a nationwide poll conducted from 24-25 September by YOMIURI SHIMBUN show that a majority of respondents are interested in such matters as the move by the opposition parties, excluding the Japan Communist Party [JCP], toward formation of a new political party. While the results also show that about two out of three respondents think a new party can be formed, over 40 percent want to see "continued rule by the current coalition government" after the next general election. This figure surpasses the percentage of respondents who want to see "a government by the former ruling coalition parties," which include Shinseito [Japan Renewal Party], Komeito [Clean Government Party], and other parties currently trying to form a new party. At one time, many voters cheered for the past administrations of former Prime Ministers Morihiro Hosokawa and Tsutomu Hata, but it seems they have changed their minds in the torrential current of political realignment.

A total of 51 percent of respondents say they "have interest" in the opposition parties' move toward forming a new party, while 46 percent say they "have no interest."

Regarding whether a new party can be formed, a total of 64 percent say it "can be formed," either "by the year-end" or "eventually." Only 20 percent say the party will not be formed. A majority of supporters of the former ruling coalition parties say the new party "can be formed." In the case of Shinseito supporters, 88 percent said the new party "can be formed." Even among supporters of the Liberal Democratic Party [LDP] and Social Democratic Party of Japan [SDPJ], over 60 percent say the new party "can be formed."

Meanwhile, regarding the idea of an LDP-SDPJ merger, 55 percent of the respondents say a new party combining the LDP and SDPJ "cannot be formed," while 22 percent say it "can be formed." Over 50 percent of supporters of the LDP, as well as a majority of SDPJ supporters, say it "cannot be formed."

Asked what kind of government they hoped to see in power after the next general election, 41 percent of the respondents say they want to see "continued rule by the current coalition government consisting of the LDP, SDPJ, and Sakigake [Harbinger Party]." This was followed by 22 percent who say they want to see "a government consisting of the Shinseito, Komeito, Japan New Party, and other members of the former ruling coalition alliance" and 5 percent who say they want to see "any other kind of government."

Even among respondents who say they are interested in opposition moves to form a new party, only 32 percent say they want to see "a government by the former ruling coalition parties," while 42 percent say they want to see "continued rule by the current government."

## Igarashi on Agenda for Murayama Administration

*OW0410115194 Tokyo ASAHI SHIMBUN in Japanese 3 Oct 94 Morning Edition p 4*

[Interview with Kozo Igarashi, chief cabinet secretary, by an unidentified ASAHI SHIMBUN reporter; place and date not given]

[FBIS Translated Text] [ASAHI SHIMBUN] What is your impression of the last three months?

[Igarashi] Both the people and ourselves have been very anxious when the former opponents, the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ] formed a coalition. However, we have been able to cope with all major issues from the Naples summit (meeting of leaders of the major powers) to tax reform. Such worries have been eliminated considerably. The government's power base has become quite stable. The unique ideas of Sakigake [Harbinger] also contributed to this.

The reasons behind this are: first, Prime Minister Murayama's honest and straightforward personality; second, the team work between the three party leaders—the prime minister, Deputy Prime Minister and Foreign Minister Yohei Kono, and Finance Minister Takemura; and third, the democratic policymaking process. These are positive things that are different from the Hosokawa and Hata coalition governments in the past year. Keeping in mind what had happened during the old coalition governments and the one-party rule of the LDP, we are still groping for the ideal form of policymaking in a coalition government. This is a very beneficial learning process, and we have been achieving some good results.

[ASAHI SHIMBUN] Has the SDPJ not lost its unique identity?

[Igarashi] We clearly declared the refusal to exercise military force in the issue of permanent membership in the UN Security Council. That was only possible under the Murayama administration. There are three difficult problems that all previous administrations have been unable to resolve: settlement of issues relating to World War II, a bill on relief for atomic bomb victims, and aid for Minamata disease victims. These can only be handled by an SDPJ-led government. We will face them squarely. Indeed, some of our supporters are disappointed with the SDPJ's policy change, and even party members are upset. However, as we transform into a new political party, we will gradually win their understanding.

[ASAHI SHIMBUN] After the new electoral system is established, the schedule for the dissolution of the House of Representatives will become a focal issue.

[Igarashi] The administration has become more stable. Since the political situation fluctuated for a time, the people now tend to opt for stability. There are major issues that we need to work on from now on. In political reform, further efforts are necessary to purify politics. Serious efforts in administrative reform will be an issue the cabinet will stake its fate on. This time, we would also like to implement decentralization of power to the localities, which has not been achieved due to the resistance of the bureaucrats. Together with this series of domestic reforms, we are entering an era of reforms in foreign affairs with 1995, the 50th anniversary of the end of World War II, as the starting point. We are being called upon to hold firm convictions as a nation, and adopt a more positive approach in our interaction with the United Nations and the Asian countries. I feel that we need more time to do all this work.

[ASAHI SHIMBUN] We do not see any difference in your policies from those of the opposition parties belonging to the old coalition government.

[Igarashi] It is true that our policies are similar, and it is difficult to discern points of conflict. The identity of the new coalition government will be established eventually through a contention between the ruling and opposition parties to come up with original policies. The main issue for the SDPJ is to formulate policies with a vision for the 21st Century. We hope to come up with certain policies before the House of Councillors election next year. With the new electoral system, policies of all political parties will be consolidated in the next two or three years along with the realignment of political parties. Strictly speaking, the foundation of the political structure for the next century will only be formed after elections are held once or twice.

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## Policy Panel Approves Sweeping Farm Reform Plan

*OW3009134394 Tokyo KYODO in English 1247 GMT 30 Sep 94*

[FBIS Transcribed Text] Tokyo, Sept. 30 KYODO—The three-party coalition government's policy coordination group approved a sweeping reform plan Friday [30 September] for Japanese agricultural policies to comply with the Uruguay Round accord of global trade talks, farm ministry officials said.

The main parts of the plan, mapped out by a project team from the three ruling parties and farm ministry, are that the current Food Control Law will be scrapped and replaced, and the nation's rice stockpile will be raised to 1.5 million tons from the current one million tons.

Based on the plan, the Agriculture, Forestry and Fisheries Ministry will start working on a bill to replace the current Food Control Law and other new farm policies, the officials said.

Japan needs to reform its farm policies because it has to open its market to foreign rice from the next fiscal year, starting April 1, in line with the Uruguay Round of world trade liberalization talks signed last year, they said.

The team also said the existing system is outdated.

According to the officials, major elements of the overhaul include the following:

—The government will maintain its control over the basic plan for production of rice through market surveys.
—The government will continue to oversee rice distribution to ensure a stable supply, but it will allow rice growers wider access to several distributors and networks, rather than the current centralized distribution system.
—The distributors should be registered with the government so it knows the demand-supply situation.
—Farmers distributing rice within the scheme called "planned distribution" system will get subsidies.
—The government will remain responsible for rice stockpiles, and will store more or less 1.5 million tons of the grain with help from the private sector.
—Production control will be discussed by the government and farm organizations based on the government's supply-demand surveys.
—Current penalties for farmers who do not follow agreed production-controlling measures will be repealed.

The plan also calls for promotion of agriculture by such means as giving subsidies and tax incentives to farmers who want to expand the scale of their business, providing scholarships for students who want to get into the field, and shortening working hours in the field by increased use of machinery and other means, the officials said.

### Government Approves Plan

*OW0410023794 Tokyo KYODO in English 0226 GMT 4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—The Japanese Government has approved the farm ministry's broad-ranging plan to reform agricultural land use and manpower, government officials said Tuesday [4 October].

The Agriculture, Forestry and Fisheries Ministry has called for a six-year budget to support the reform plan. However, government officials said that the ministry of finance remains reluctant to approve a budget hike to pay for the measures.

The plan was approved early Tuesday morning by the government's ad-hoc committee on agriculture and farm areas, chaired by Prime Minister Tomiichi Murayama. The government will adopt an outline of the reform measures on Oct. 21, the officials said.

The agricultural reform plan is part of a sweeping effort to overhaul Japanese agricultural policy to comply with the Uruguay round agreement on global trade, signed last year. The multilateral accord requires Japan to open its rice market starting with fiscal 1995.

Key targets of the reform plan, drafted by the farm ministry, include:

—The number of new farm recruits is to be tripled from the current level the nation needs to around 12,000 to 16,000 people each year.
—The liquidation of some 1.3 million hectares of small-scale farm land will be encouraged, in order to raise the efficiency of agricultural production.
—Income disparities among farmers are to be narrowed.

The plan includes a specific timetable for each set of goals. Government subsidies and other incentives will be used to achieve the targets. The government is currently working on a number of bills related to the Uruguay round, such as a bill to approve the establishment of the world trade organization to replace the current organization that monitors global trade, the General Agreement on Tariffs and Trade (GATT).

### 10 Trillion Yen Reform Fund

*OW2909131194 Tokyo KYODO in English 1237 GMT 29 Sep 94*

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO—The Farm Ministry will demand budget appropriations totaling more than 10 trillion yen for the six-year period beginning in fiscal 1995 to deal with the import- liberalizing Uruguay Round accords, ministry sources said Thursday [29 September].

The sources said the Agriculture, Forestry and Fisheries Ministry has worked out a sweeping farm reform plan to boost productivity and raise the competitiveness of Japanese farms as Japan lifts its ban on rice imports under the accords.

Of the total, central government expenditures will come to about 6 trillion yen, and government loans and budget appropriations by local governments will account for the rest, the sources said.

Under the ministry's farm reform plans, the number of new farm recruits is to increase from 4,400 in fiscal 1992 to more than 12,500 per year, according to the sources.

The plan also calls for farm businesses to acquire 1.3 million hectares of farmland by fiscal 2000 for more efficient and stable operations, they said.

### Telecom Council Considers Lower NTT Rate Hike

*942A0758A Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Sep 94 p 5*

[FBIS Translated Text] The Telecommunications Operations Subcommittee (chaired by Shigemichi Sonoyama, chairman of the Mobile Wireless Center) of the Telecommunications Council, an advisory organ of the Ministry of Posts and Telecommunications [MPT], has decided to ask Nippon Telegraph and Telephone (NTT), which has applied for a hike in the basic telephone charge, to reduce the amount of the increase. The most likely plan calls for reducing the currently requested 18-percent hike by about 10 percent to just over 16 percent and to postpone the implementation date requested by NTT by about half a year to the February-April timeframe of next year.

The council plans to make a formal decision on the rate hike during a Telecommunications Operations Subcommittee meeting to be held in the latter part of November. Reflecting the views of the MPT, the council intends to ask NTT for additional cost reduction efforts and to approve a rate hike if NTT submits a revised request reflecting a reduction of more than 10 percent from the pending rate hike.

The basis for the council's views that the rate hike can be reduced by 10 percent is that, even if the hike is reduced, annual revenues which equal or slightly exceed operating expenses of 1.369 trillion yen for that portion covered by the basic charges were realized in fiscal year 1993. The council has reached the assessment that adequate profits can be realized if benefits are realized from already implemented personnel reductions and future cost reduction measures. The council also feels that the hike reduction is appropriate in view of the fact that the final rate determination in connection with hikes for the freeway toll charges reflected a 10-percent reduction from the initial application.

However, the council has yet to come to an agreement about the specific implementation date in terms of whether it will be February, March, or after April. Two schools of thought exist about the rate hike because NTT is not eligible for fiscal funding to augment shortfalls in revenues; i.e., the view that action should be taken to expedite the process of recovery from deficit operations and the view that the rate hike should be postponed to the maximum degree feasible to avoid an unfavorable impact on the economy.

## Nikki Kogyo Developing Australian Coal Business

*942A0736A Tokyo NIHON KEIZAI SHIMBUN in Japanese 21 Sep 94 p 23*

[FBIS Translated Text] Nikki Kogyo (Hiroshima city; Yukinari Kashiwa, president), a hydroelectric plant manufacturer, is moving into the coal mining business. The company recently acquired mining rights in the coal development mining area on the outskirts of Brisbane, Australia, has formed a joint venture (JV), and plans to begin mining next spring. It is scheduled to mine 100,000 tons in the first fiscal year and 1 million tons in three years, and will supply electric power companies and steel companies at home and abroad.

It is the coal development mining area of Chinchilla district in Queensland that will be mined; the amount of underground coal deposits there is 480 million tons. BHP of Australia and MEMA, a subsidiary of Mobile Oil of the United States, each had owned 50 percent of the mining rights, but recently Nikki Kogyo purchased MEMA jointly with the local Cabra Holding (Sydney) and changed the company name to Cabra Mining. Capital is 10 million yen and the investment ratio is one-third for Nikki Kogyo and two-thirds for Cabra Holding.

Nikki Kogyo will have charge of mining and sales, and, in October, the company will form joint ventures with two or three Japanese companies, investing 50 percent. Moreover, Nikki Kogyo raised funds totaling 2 billion yen, with Toyo Securities as the managing underwriter, for business development capital.

It is scheduled to start local boring surveys at the end of October and will begin full-scale mining next spring. The company will mine 100,000 tons in fiscal 1995 and will spot supply Chugoku Electric Power and Shikoku Electric Power. It is scheduled to mine 1 million tons each year starting in fiscal 1997 and prospects are that it will be able to make a stable supply to domestic and Taiwanese electric power companies and steel companies.

Construction of 40 thermoelectric power plants with coal are planned in Japan in the next 10 years and a demand for coal is anticipated.

## EA To Study CFC Recovery From Insulating Material

*942A0732A Tokyo NIKKAN KOGYO SHIMBUN in Japanese 12 Sep 94 p 4*

[FBIS Translated Text] The Environment Agency [EA] will begin a study to promote recovery of specific fluorocarbons included in adiabatic materials starting in fiscal 1995. Although fluorocarbons are included for foaming in adiabatic materials used in refrigerators and construction materials, compared to recovery of fluorocarbons as coolants, recovery has been left untouched because of technical and economic difficulties. For this reason, the Environment Agency has decided to investigate and study the technical and economic possibilities of fluorocarbon recovery in adiabatic materials. It plans to promote the recovery of fluorocarbons by putting together measures for its recovery, reuse, and destruction with the next three years as the goal by establishment of a study group, investigation of the actual situation, and implementation of recovery tests. The amount of fluorocarbons in adiabatic materials for refrigerators and construction materials is considered to be about four times that of fluorocarbons for coolants. Recovery of fluorocarbons in adiabatic materials is already being carried out in some European regions, including Germany. In Japan, on the other hand, the recovery of fluorocarbons for refrigerator and other coolants is proceeding gradually, but the state of use, discard routes, or discard amounts of specific fluorocarbons included in adiabatic materials is hardly managed at all. Even reliable methods for recovery have not been established. Therefore, the agency will establish a study group comprised of experts and first conduct a review of existing information and study of recovery tests (establishment of conditions). It will promote the investigation and study of the current status and tasks of recovery technology while referencing the kinds, uses, and actual emission situation of adiabatic materials, and in addition, the status of undertakings in various foreign countries. It will conduct fluorocarbon recovery tests using actual facilities and collect data on recovery efficiency and the time required for the work and the costs. They will study especially the technical and economic elements that have become a bottleneck for recovery of fluorocarbons in adiabatic materials and make an assessment. EA has been continuously working on support projects for fluorocarbon recovery; starting the study on recovery of adiabatic material fluorocarbons is a link in this project.

## Tokyo, NEDO To Test Solar Power Generation

*942A0731A Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Sep 94 p 15*

[FBIS Translated Text] Tokyo Prefecture is undertaking large-scale certification tests jointly with the New Energy Development Organization (NEDO) starting in fiscal year 1995 in order to popularize and promote solar power generation. They will start construction this fall on a solar power generation system that will be second largest in scale in the nation, and will complete it by the end of the year. Solar power generation has attracted attention for clean energy-savings, and the prefecture is promoting establishment of solar energy self-power generation systems at public facilities such as public housing and schools, with these tests as a lever.

The prefecture will newly build a solar power generation system at the Waterworks Bureau's Higashi Murayama Water Purification Plant (Higashi Murayama city). They will set up solar battery panels on a 1,400-square-meter site and, with an output of 70 kilowatt hours, it will become the next in capability following the 95-kilowatt-hour solar power generation facility that is the tops nationwide in Kiyosato, Yamanashi Prefecture. The electric power generated will be used as a power source for the water purification plant. The certification test period will be from April 1995 to March 1999. Project cost is about 200 million yen.

The prefecture considers that, "based on the results of these tests, we would like to promote solar energy self-power generation systems at various kinds of public facilities such as prefecture-run housing and other public housing, public schools, hospitals, and cultural halls, and we would like to popularize and promote energy-saving facilities among private facilities also" (Environment Preservation Bureau). The plan is to study subsidies and other conducive systems.

Solar energy has been attracting attention as clean energy linked to prevention of global warming. This summer, housing and home appliance manufacturers have embarked one after the other on sales of solar power generation systems for homes. However, maintenance costs are high and technical improvements in the system and cost decreases are becoming an urgent task.

## RITE Public Survey on Environmental Issues

*942A0733A Tokyo NIKKAN KOGYO SHIMBUN in Japanese 12 Sep 94 p 4*

[FBIS Translated Text] The Research Organization on Industrial Technology and the Global Environment (RITE, 9-2 Kizugawadai, Kizu-cho, Soraku-gun, Kyoto Prefecture; telephone: 07747-5-2300) has conducted a public awareness survey on global environment issues. It revealed that the issues have a very high rate of concern and awareness; for example, 95 percent of the people who responded are worried about environmental problems and 70 percent of the people believe that we should start development of technology before it is too late. The targets of the survey were people over the age of 20 sampled according to population ratio from Tokyo, Osaka, and Tottori Prefectures; about 1,700 people made valid replies. The daily activities of the people as well as economic activity have become a factor generating such global environment problems as global warming, destruction of the ozone layer, and ocean pollution. For this reason, it is important to change the living patterns of the people to something that has little impact on the environment and for individuals to be aware that environmental problems are problems close to home. Therefore, RITE undertook the public awareness survey in order to devise future global environment countermeasures. The results of the survey are that, on awareness of the current situation, each generation is very concerned; however, women of the generations born in the 1920's and 1970's have rather slight concern. In dealing with environmental problems, more than 80 percent of the people believe that we must preserve the global environment, even if living standards decline somewhat along with the development of technology to preserve the environment. Moreover, about 60 percent of the people responded that development of clean energy and thorough energy saving are necessary as energy countermeasures. In addition, many people mentioned "saving electricity," "not buying throwaways and recycling," or "not letting oil flow into drainage ditches" as methods in living, and it was learned that they are concerned and are acting on global environment problems.

## August Ethylene Output Exceeds 500,000 Tons

*942A0738A Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Sep 94 p 10*

[FBIS Translated Text] It was revealed in the monthly production trends compiled by the Petrochemical Industry Association (Masahiko Yoshikawa, chairman) on 22 September that 507,000 tons, the second highest recorded, was recorded for production of ethylene, the basic raw material for petrochemical products. Not only was this the fourth consecutive month that production has exceeded the level recorded for the same month of the previous year, but it is the first time that it has exceeded 500,000 tons for two consecutive months this year. Total shipments for August of the five big resins, including polyethylene, also were high, with a 10 percent increase over the same month of the previous year. Special demand due to the fierce heat added to favorable exports and recovery of parts demand for autos and home appliances have pushed up production and shipments. The association expects the increased production trend to continue in September and thereafter, and an underlying tone of recovery has taken root in the petrochemical products field.

Although, due to the water shortage, August ethylene production inevitably was a decrease of 20,000 tons from the initial estimate at plants in the Yokkaichi and Mizushima districts, the domestic total was 507,000 tons, a 4.3-percent increase compared to the same month of the previous year. The amount of ethylene production last year was no more than 5.77 million tons, but by exceeding 500,000 tons for two consecutive months, it has recovered to a pace on the level of 6 million tons annual production, corresponding to the peak in 1991.

Total shipments for August for synthetic resins also increased greatly. Starting with high-density polyethylene used in various kinds of film and hollow formed products which increased 19 percent compared to the same month of the previous year, the three resins of low-density polyethylene, polypropylene, and polystyrene also had increases exceeding 10 percent.

Looking just at domestic shipments, polypropylene had a double-digit increase for the first time in 46 months since October 1990 with the quick recovery for industrial products, including auto parts. Polystyrene, which has been affected by the overseas move of home appliance production, also had a double-digit increase in domestic shipments for the first time in five years with the increased production of air conditioners and refrigerators. Vinyl chloride resin also increased 7.5 percent. As a result of the recovery in domestic demand, companies are unable to respond to inquiries from Southeast Asia, and it has become certain that production for all of 1994 will recover to 2 million tons for the first time in three years.

Concerning this increased production and shipment increases, the manufacturers consider that "it seems that the increased production trend will continue in September and thereafter since inventory is still at a low level." They intend to exert all their effort on raising prices of resin in current negotiations.

## North Korea

### Reportage on Tangun Tomb Ceremony Continues

#### Overseas Korean Delegates Arrive

*SK0210082994 Pyongyang KCNA in English 0812 GMT 2 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 2 (KCNA)—A delegation of Koreans in Japan led by Vice-chairman of the Central Standing Committee of the General Association of Korean residents in Japan (Chongnyon) Kwon Sun-hwi, advisor to the North America-Korea Friendship Association Han Mu-hak, director of the Secretariat of the International Taekwondo Federation and Chairman of the Washington Federation for National Reunification Cho Tae-song, chief of a section of the American Institute of the Idea of Independence Kim Hyon-hwan, Chairman of the Association of Korean Literary Men in Japan Kim Yi-pak, Dr. Mun To-pyong, professor of Osaka University of Economic Law, and Manager of Yongsang Hanul Yi Ui-chik arrived here Saturday [1 October] to participate in a ceremony for the completion of the tomb of Tangun.

Earlier, Kim In-sik, chairman of the Korean Committee of the National Council of Churches of Christ of the United States of America, came here.

#### ROK Student Arrives for Ceremony

*SK0110222594 Pyongyang KCNA in English 1500 GMT 1 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—Choe Chong-nam, co-director of the Secretariat of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and a student of Seoul National University, arrived here this afternoon to participate in the ceremony for the completion of the tomb of Tangun.

He was cordially met at the airport by Ho Chang-cho, chairman of the North side headquarters of Pomchonghaknyon, other officials concerned, and youths and students.

#### ROK Student Interviewed on 1 Oct

*SK0310112794 Pyongyang KCNA in English 1035 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—Choe Chong-nam, a student of Seoul National University, who is co-director of the secretariat of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), who came here to participate in the ceremony for the completion of the reconstruction of the tomb of Tangun, was interviewed by reporters at the Pyongyang Koryo Hotel on October 1.

In his arrival statement he said he came to Pyongyang, following the noble spirit of sacrifices of his elders who offered themselves on the altar of national reunification, with the firm determination not to let the history of the nation's division be prolonged more than half a century.

He noted that at the moment when the independent and peaceful reunification is becoming the trend of the nation, the forces that had based themselves on the Cold War and division are trying to lay a foothold of "unification through absorption" by turning the phase of peace after the end of the Cold War into the system of division.

He stated that his visit to the North is the first pursuit and attempt to find a way for all the forces hoping for independent and peaceful reunification to actively open up a new phase of independent reunification, peaceful reunification.

"We students who have never hesitated to cross the high barrier of division, even in the anguish over the past half a century in which we have vomited blood and felt our bones crushed, will advance at the head of the 70 million fellow countrymen, without a step backward, with the glorious goal of reunification in sight", he declared.

Before answering questions put by reporters, he explained the background of his visit to the North. He said:

"Upon hearing the news that the ceremony for the completion of the reconstruction of the tomb of Tangun will be held, South Koreans thought that it will be a good occasion in confirming the homogeneity of the nation, since Tangun who had been considered to be a mythical being has been proved to have been a real being by the North and the ceremony for the completion of the reconstruction of his tomb will be held.

"Though Taejonggyo and Mr. Paek Ki-wan of the South have already expressed their willingness to participate in the ceremony, it is not allowed. So, I left on the trip to the North, thinking that it would be of ample significance for me to participate in the ceremony as a student".

Answering a question about his impressions of his visit to the North, Choe said he became conscious of his mission "to acquit himself well," thinking of Rev. Mun Ik-hwan and others who put themselves on the altar of reunification.

Recalling that the South Korean "government" authorities raised a row over the expression of condolences and even failed to observe courtesy, he said that under that condition, students of the South Korean Federation of General Student Councils (Hanchongnyon) conducted various kinds of activities to mourn the death of President Kim Il-song, who devotedly worked for independent reunification.

### Plans 'Mourning Activities'

*SK0310214494 Pyongyang KCNA in English 1523 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—Choe Chong-nam, co-director of the secretariat of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), who is a delegate of the South Korean Federation of General Student Councils (Hanchongnyon), who came to Pyongyang to participate in the memorial services on the one hundredth day after the death of the great leader President Kim Il-song and the ceremony for the completion of the reconstruction of the tomb of Tangun was interviewed by reporters in Pyongyang today.

He first of all made public a statement at the press conference on the background of his participation in the memorial services on the one hundredth day after the death of President Kim Il-song as a delegate of Hanchongnyon and the program of his activities during his stay in Pyongyang.

Choe Chong-nam answered questions put by reporters.

Recalling that he received instructions from Hanchongnyon to participate in the memorial services as the delegate of the one million students under it, he said he will actively conduct mourning activities during his visit.

He said he will participate in the memorial services, beginning with presenting the unified flag to the statue of President Kim Il-song on Mansu Hill, who made all efforts for the reunification of the nation, as an expression of the resolution of the South Korean students to rise up and achieve national reunification and will conduct a wide range of activities.

Choe Chong-nam underlined the national-historic significance of the reconstruction of the tomb of Tangun.

He said:

"There are ample historical and material evidences that the Tomb of Tangun is in Pyongyang. This fact is described in history books of South Korea and recognised by representatives of various political parties.

"The disinterment of the tomb of Tangun proved scientifically and practically, not in empty word, that the Korean nation is a homogeneous nation with a long history of 5,000 years. The ceremony for the completion of its reconstruction is a very important function.

"Many organisations of South Korea hope to attend the ceremony but are not allowed.

"I have been dispatched here not only to attend the one hundredth day memorial services for President Kim Il-song, but on the important mission to actively seek a way of reunifying the country at an early date as wished by the 70 million Koreans.

"And I will meet people and personages of different strata in the North of the country to confirm their desire and passion for reunification."

### Party Given in Honor of Student

*SK0310213994 Pyongyang KCNA in English 1515 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—A party was given at the Pyongyang Koryo Hotel Sunday evening in honor of Choe Chong-nam, a student of Seoul National University and co- director of the secretariat of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), on a visit to Pyongyang to attend the ceremony for the completion of the reconstruction of the Tangun tomb.

Present at the party were Vice Chairman of the Central Committee of the League of Socialist Working Youth of Korea Mun Kyong-tok, Chairman Ho Chang-cho and members of the North side headquarters of Pomchonghangnyon and youths and students in Pyongyang.

Ho Chang-cho and Choe Chong-nam addressed the party.

### South Urged To Allow Attendance

*SK0310071694 Pyongyang KCNA in English 0446 GMT 3 Oct 94*

["S. Korea Urged To Allow Visit to North by Invited Figures"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—Many figures of South Korea are now willing to visit Pyongyang in response to the invitation to the ceremony for the completion of the reconstruction of the tomb of Tangun, the father of the Korean nation. In this regard, NODONG SINMUN today urges the South Korean authorities to allow them to visit the North.

The analyst says:

If the South Korean authorities remain an onlooker to the ceremony, a common event of the nation, and, worse still, keep figures of various social strata from visiting the tomb of the nation's father, it would be another grave crime against the nation. And if the authorities ban their visit to the North with "the national security law," by politicizing it, as they did in the past, it would bring into bold relief their criminal nature as a group of traitors who are clean indifferent to the nation, the ancestor and history. And it would fully show once again that the South Korean society is a tightly closed society where even the visit to tme tomb of the nation's father is not allowed and the threatre of fascist rowdyism where treachery and injustice ride over patriotism and justice.

The South Korean authorities must allow those who want to participate in the ceremony to visit the North and provide them with all the necessary conditions and conveniences for their Pyongyang trip. The whole nation will keep tabs on the acts of the South Korean authorities.

### Scheduled Tangun Ceremony Delayed

*SK0410020994 Pyongyang Korean Central Broadcasting Network in Korean 2110 GMT 3 Oct 94*

[FBIS Translated Text] On 3 October, a spokesman for the Committee for the Reconstruction of the Tangun tomb answered the following to questions by a reporter of the Korean Central News Agency regarding the ceremony for the completion of the reconstruction of the Tangun tomb.

The great leader Comrade Kim Il-song, father of our nation, visited the tomb of Tangun—the origin of our nation—during his lifetime and ordered its reconstruction in conformity with the prestige [wisang] of 5,000 years of history.

The dear leader Comrade Kim Chong-il has wisely led the work to reconstruct the Tangun tomb, upholding the fatherly leader's teaching about will. As a result, he has enabled us to hold the ceremony.

The holding of the ceremony as a result of the outstanding reconstruction of the Tangun tomb is a very significant national event in demonstrating our people's eternalness and unity [yugusongkwa tanilsong] at home and abroad and in promoting the cause for the revolution of the fatherland.

Political parties and organizations of our Republic sent letters of invitation over radio and telegraph to representatives of the South Korean political parties and organizations and to people from all walks of life to grandly hold the ceremony of the completion of the reconstruction of the Tangun tomb, which is the common festival for the nation, amid the interest and participation of all people in the North, South, and abroad. Furthermore, we are sincerely preparing to greet them.

In response to our invitation that bears the will of national unity and patriotism, the South Korean figures have officially expressed their willingness to visit Pyongyang. A delegate from the South Korean Federation of General Student Organizations, as well as Korean figures residing abroad have already arrived in Pyongyang. Many Koreans residing abroad are now coming to the fatherland to participate in the ceremony.

We are delaying the scheduled ceremony, waiting for the arrival of the South Korean people from all walks of life whom we have already invited, while ardently expecting representatives of South Korean political parties and organizations and the people from all walks of life to participate in it. This step has embodied the sacred and patriotic will of the respected and beloved leader Comrade Kim Il-song, who wanted to promote national unity and reconciliation and to widely demonstrate the prestige of the history of 5,000 years, by completing the reconstruction of the Tangun tomb.

The South Korean authorities should not prevent the South Korean people from all walks of life from visiting the North. If they talk about the so-called reunification and dialogue while barring the fellow countrymen from visiting the tomb, origin of the nation, this will show that their talk is deceitful. We express our expectation that the South Korean people from all walks of life will surely break through [mullichigo] the authorities' block and attend the ceremony.

### KCNA Version of Postponement

*SK0410053594 Pyongyang KCNA in English 0434 GMT 4 Oct 94*

["S. Korean Authorites Must Not Bar People From Visiting the North, Spokesman for Tangun's Tomb Rehabilitation Committee"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 4 (KCNA)—The spokesman of the Tangun's Tomb Rehabilitation Committee of the Democratic People's Republic of Korea answered a question put by KCNA as regards the ceremony of the completion of the reconstruction of the tomb of Tangun.

He told KCNA:

The great leader Comrade Kim Il-song, the father of our nation, in his lifetime visited the tomb of Tangun, the founder of the Korean nation, and took measures to rebuild it to suit the dignity and prestige of the nation with a history of 5,000 years.

True to his behests, the dear leader Comrade Kim Chong-il has wisely led the reconstruction of the tomb of Tangun. As a result, the tomb has been rebuilt splendidly and is to be open to the public with a due ceremony.

This is an auspicious national event of great significance in demonstrating at home and abroad the long history and homogeneity of our nation and accelerating the cause of national reunification.

A political party and organisations of the DPRK sent letters to representatives of political parties and organisations and personages of various strata of South Korea over radio and by telegram, inviting them to the ceremony for the completion of the reconstruction of the tomb of Tangun, a common auspicious event of the nation, in order to hold it grandly amid the interest and participation of the whole nation in the North, the South and overseas, and are sincerely making preparations to receive them.

In response to our invitation carrying our intentions of national unity and patriotism, personages of South Korea have officially manifested their willingness to visit Pyongyang. A delegate of the South Korean Federation of General Student Councils and Overseas Koreans have arrived in Pyongyang and many more compatriots are coming to the homeland from abroad to participate in the ceremony.

Out of our earnest desire for the participation of representatives of political parties and organisations and personages of South Korea in the ceremony, we are now delaying it, waiting for the invited personages to arrive.

This measure of ours is an embodiment of the noble patriotic will of the respected leader Comrade Kim Il-song to promote national unity and reconciliation and exalt the prestige of our nation with a history of 5,000 years through the reconstruction of the tomb of Tangun.

The South Korean authorities must not block the northern trip of South Korean personages.

If they pay lip service to "unification" and "dialogue" while blocking people from visiting the tomb of the founder of the nation, it will show that their argument is a lie and deception.

We express the hope that South Korean personages of different strata will participate in the ceremony for the completion of the reconstruction of the tomb of Tangun in the teeth of the obstructions of the authorities.

### Kim Yong-sam Criticized for Army Day Speech

*SK0410061594 Pyongyang KCNA in English 0500 GMT 4 Oct 94*

["Symptoms of Doom of Traitor"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 4 (KCNA)—The traitor Kim Yong-sam, in his "address" at a recent "ceremony on the day of the ROK Army," vilified the North's system with very provocative words and openly revealed his aggressive design on the North. This comes under fire in NODONG SINMUN today.

It cannot be overlooked that the traitor maliciously slandered the system of the North, crying for "unification under the liberal democratic system," at a time when the United States had brought a carrier flotilla in the waters off the Korean peninsula for a military threat to the North, the analyst says, and goes on:

By shouting himself hoarse for "unification under the liberal democratic system," the traitor disclosed his sinister intention to expand the colonial fascist system of South Korea to the North with the help of outside forces. This is an insult to the nation's desire for reunification and an intolerable challenge to the North that is making sincere efforts for the peace and peaceful reunification of the country.

His dream of "unification by prevailing over communism" is as foolish as attempting to sweep the sea with a broom.

His provocative anti-communist, anti-North rigmarole was motivated by a criminal intention to divert elsewhere the attention of the people at home and abroad with unprecedentedly reckless anti- communist hysterics and fool the people, thus bridging over the crisis of his regime that is getting more serious.

His anti-communist hysterics, however, is symptoms of the doom of a fellow who has been driven to the verge of destruction for his crimes committed within and without and a ridiculous act reminding one of a puppy knowing no fear of the tiger.

By openly declaring a total showdown with the North, the traitor Kim Yong-sam himself denied his being the dialogue partner of the North and has become the foe of peace and peaceful reunification and the target of overthrow by the whole nation.

The whole nation will surely keep tabs on the anti-national crimes of the traitor Kim Yong-sam.

### Anti-Kim Yong-sam Literature Said Distributed

*SK0310103194 Pyongyang KCNA in English 1005 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—Copies of a literature titled "Let Us Overthrow the Kim Yong-sam Fascist 'Regime' by a Death-Defying Resistance of Students!" were distributed to students on the campus of Korea University on September 10, Seoul-based radio Voice of National Salvation [VNS] reported.

The literature said the chuche idea is in the limelight as a publicly accepted idea of the present time and the worldwide trend of thought which is undeniable by anyone.

"The declaration of war" made by the Kim Yong-sam group against us students with outcries for the "liquidation of the chuche idea faction" is the height of injustice in obliterating the human rights themselves and denying humanity itself," the literature noted, adding:

"A successful progress of the movement for independence, democracy and reunification whereby we shape our destiny cannot be expected without the overthrow of the Kim Yong-sam group.

The literature called upon the students to advance toward independence, democracy and reunification under the banner of the chuche idea, become devotees and propagators of the chuche idea and overthrow the Kim Yong-sam fascist "regime" by a death-defying resistance.

### Support for Kim Chong-il Noted in South's Army

*SK0310070394 Pyongyang KCNA in English 0433 GMT 3 Oct 94*

["Let Us Become Loyal Subjects of General Kim Chong-il"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—Reverence for the dear leader Comrade Kim Chong-il is growing immensely among the officers and men of the South Korean puppet army, according to Seoul-based radio Voice of National Salvation.

An officer of the "Defence Security Command" told his colleague it was known that early in September a first lieutenant surnamed Kim and two other junior officers and six recruits of a division of the puppet army formed a secret organisation and wrote in blood an oath of loyalty to Comrade Kim Chong-il.

After forming the secret organisation called "Society of Patriotic Soldiers," he said, they vowed loyalty to Comrade Kim Chong-il before his portrait and wrote in blood letters reading "Let us become loyal subjects of general Kim Chong-il!" on a white cloth.

A similar writing in blood was discovered in another division, too.

A lieutenant colonel surnamed Kim, an officer on the reserve list of South Korea, told a reserve officer surnamed Yi that there are many biographies of great men in human history, but it does not know as yet such a great man as the dear leader Kim Chong-il who has built a matchless powerful country, becoming a harmonious whole with the army and people. He went on to say: "The people in the North, to their sorrow, lost respected President Kim Il-song whom they trusted and followed as the father of the nation and as heaven. There is no confusion, vacillation and stagnation. The world people are amazed at this.

"I have got to know that all this is attributable to the dear leader Kim Chong-il who is wisely leading the army and the people, succeeding the cause of the great President Kim Il-song and become convinced that no formidable enemy on earth can match the army and people in the North who are holding him in high esteem as the supreme leader of the Armed Forces.

### Kim Il-song Condolence Literature Said in Seoul

*SK0210080394 Pyongyang KCNA in English 0756 GMT 2 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 2 (KCNA)—Copies of a literature expressing condolences were scattered in Panpobon- tong, Seoul, on October 1 on the threshold of the one hundredth day after the death of the great leader President Kim Il-song, according to a radio report from Seoul.

They were scattered at dawn.

### Plan To Resume Team Spirit Exercise Criticized

*SK0210145494 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 1 Oct 94*

[Commentary by Kim Ho-sam: "A Foolish Warmonger Who Digs His Own Tomb"]

[FBIS Translated Text] The South Korean puppets are openly revealing their intent to continue conducting the criminal Team Spirit joint military exercise.

Yi Pyong-tae, South Korean puppet defense minister, while speaking at a National Assembly National Defense Committee on 28 September, said the final decision on whether or not to conduct the Team Spirit joint military exercise scheduled for November will be made at the ROK-U.S. annual security consultative meeting to be held in Washington this October; he added that the military exercise will be conducted regularly from next year onward.

This violent war remark is nothing less than an open declaration of war against us, revealing their intent to lead the situation on the Korean peninsula to the extreme, running counter to the trend of the times which is heading toward negotiation and detente.

According to KBS-1 radio in Seoul, the 26th annual security consultative meeting will be held in Washington on 6 and 7 October, and the so-called nuclear issue will be discussed there. The joint cooperation system between the ROK and the United States will also be reconfirmed.

The South Korean warmonger is attempting to reach a final decision on conducting the Team Spirit nuclear war exercise. Why do the South Korean puppets mention the resumption of the nuclear war exercise while the DPRK-U.S. talks are being held in a full-fledged manner, with considerable progress being made in the second session of the third round of talks, and with a good situation being created for a fundamental solution to the nuclear problem on the Korean peninsula? It is because of the difficult situation facing the South Korean ruling bunch. The Kim Yong-sam puppet regime is in a difficult position both domestically and externally, and is desperately attempting to get out of the crisis.

The policy of reform and openness which the traitor Kim Yong-sam advocated at home and abroad has lost its effect over the past year or so, and the South Korean people no longer expect anything of him. Rather, they now spit at the puppet traitor. A South Korean opposition party figure described Kim Yong-sam's domestic politics as a complete failure, noting that what he can boast of, if anything, is the highest rate of dishonored promissory notes ever. The opposition leader deplored the situation, saying that because Kim Yong-sam failed so badly in his administration, those residents of Pusan who voted for him now wish they could cut off their fingers. This reflects the feelings of the South Korean masses as well as hos own the feelings.

Moreover, the Kim Yong-sam ring issued an emergency alert order rather than express condolences on the greatest misfortunate of the nation. Leveling a gun at sorrow-laden fellow countrymen, he is criticized by the South Korean people as a villain worse than a beast. No one wants to associate with him now.

The traitor Kim Yong-sam, under the guise of a civilian regime, totally cut off and froze relations with the North, further deteriorating relations between us, even worse than during the Sixth Republic. This can be seen by his behavior on the so-called nuclear issue. In a desperate attempt to put the brakes on the DPRK-U.S. talks and frustrate them, he dispatched his nuclear ambassador to Geneva and sent the director of the Americas Division of the Foreign Ministry to the talks, totally mobilizing diplomatic institutions. Despite this, the DPRK-U.S. talks made progress, to the disappointment of South Korea.

Commenting on the plight of the South Korean puppets who are being alienated in their external relations, CHOSON ILBO on 4 September reported that a sense of crisis is spreading through diplomatic circles in South Korea, adding with regret that the fundamental cause of the sense of powerlessness in South Korean diplomatic circles is that the South Korean Government is helpless to deal with the change in the situation on the Korean peninsula.

In fact, the Kim Yong-sam puppet regime is criticized by the people and alienated by his masters, thus suffering the plight of a hunchback both in the front and the back. In an attempt to get out of this plight, the South Korean warmongers are choosing the road to war as a last resort. What leads us to view the situation all the more gravely is that the rascal Yi Pyong-tae's violent remarks regarding the war exercises came at a time when a U.S. aircraft carrier flotilla is deployed on the East Sea of Korea, applying military pressure against us.

The South Korean puppets mention the resumption of the Team Spirit joint military exercise in order to find a way out of the crisis, joining the gunboat diplomacy of U.S. hardline conservative forces to put pressure on us, hoping for a breakdown in the DPRK- U.S., and thus forcing the situation on the Korean peninsula to an extreme.

However, this cannot save them from the crisis, nor can it be a way to ensure their survival. On the contrary, this will only result in the digging of their own tombs.

Our position is clear and resolute. We will respond to dialogue with dialogue, and to war with war. As a spokesman for our Ministry of the People's Armed Forces stated, our People's Army, whose mission is to defend the country with guns, will never hold expectations of the dialogue accompanied by pressure. Since the South Korean puppets employ armed confrontation in collusion with foreign forces, we cannot engage ourselves in talks indefinitely [namjoson koeroeduri oesewa yahaphaeso muryok taegyollo naonisang, urido onjekkajina hoedameman maedallyo issulsu opsumnida]. The South Korean puppets should know that there is no mercy in war.

The puppet defense minister should not forget that if they engage in the fire-game commotions, they will have to pay a dear price.

### Sentencing of Writer for Visiting North Denounced

*SK0110103094 Pyongyang KCNA in English 1024 GMT 1 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—The "Seoul high court" sentenced Hwang Sok-yong, a writer, to seven years of imprisonment on Tuesday [27 September], a South Korean radio reported.

It is an unpardonable criminal act for the Kim Yong-sam group to invoke the "National Security Law" and sentence Hwang Sok-yong to a heavy penalty on the charge of visit to the northern half of the country.

As is known, Hwang Sok-yong is a writer who returned to South Korea in April last year after engaging himself in literary creation abroad.

He visited the northern half of the country several times with a view to contributing to the reunification of the country through his literary activities.

His visits to the North were motivated simply by the consciousness of his mission as a writer and his sense of obligation to do his bit for reunification as a member of the nation.

Visit to the North is not a crime. To incriminate the visit to the North is a real crime.

Judging from the fact that the Kim Yong-sam group fetters such a guiltless man as Hwang Sok-yong, "civilian regime" advertised by it is a fake for fooling people.

Facts clearly show that the Kim Yong-sam group is a never-to-be- condoned fascist murderer, human rights violator and sworn enemy of the nation who imprisons pro-reunification patriots indiscriminately.

It is the Kim Yong-sam group that must be punished.

The "National Security Law," a waste of the times, must be scrapped and the victims of this evil law including Hwang Sok-yong must be released immediately.

### U.S.-North Talks Supported by Foreign Figures

*SK0110231094 Pyongyang KCNA in English 1504 GMT 1 Oct 94*

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—Officials of a Congolese party and Nigerian and Nepalese organisations supported the DPRK-U.S. talks.

Leon Nzokene, general secretary of the Congolese Socialist Party, in a letter to the U.S. President on September 21 said that his party expressed satisfaction over the affirmative results of the talks between the Democratic People's Republic of Korea and the United States of America.

He said: "The Congolese Socialist Party strongly demands that the U.S. President create favourable conditions for the guarantee of peace and denuclearisation on the Korean peninsula and, to this end, the United States respect the points of its agreement with the DPRK.

Yemi Oyeneye, chairman of the Nigeria-DPRK Friendship Association, in a statement on September 20 said that a genuine peace on the Korean peninsula can be realized only through dialogue and negotiation between the DPRK and the United States.

He said that if the United States renounced the old idea of confrontation, respected the sovereignty of the DPRK and held dialogue on an equal footing, all the problems between the DPRK and the United States and the peace issue on the Korean peninsula could be resolved easily.

Narayan Prasad Sabkova, secretary general of the Bairawa, Nepal, Solidarity Committee for Supporting Korea's Reunification, in an article headlined "Korean Stand Toward Talks" said that if the United States sincerely discussed questions with the DPRK as now, the Korean question including the nuclear issue would be solved.

### Li Peng Meets With National Day Delegation

*SK0210081194 Pyongyang KCNA in English 0802 GMT 2 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 2 (KCNA)—Li Peng, premier of the State Council of the People's Republic of China, met a party and government delegation of the Democratic People's Republic of Korea led by Vice-president Yi Chong-ok in Beijing on September 30.

On the occasion he expressed deep condolences on the death of the great leader Comrade Kim Il-song. And he expressed the belief that the Korean people will build Korea more wonderfully under the leadership of Comrade Kim Chong-il by carrying forward what President Kim Il-song intended in his lifetime.

He noted that the dispatch of a delegation by Korea on the 45th anniversary of the National Day of China vividly showed how deep the Sino-Korean friendship is.

He said that the bilateral friendship is cemented with blood, no matter what happens in the world, and in each country, this friendship would last forever.

He expressed the belief that the Korean people will overcome grief and continue developing the Sino-Korean friendship under the leadership of Comrade Kim Chong-il by carrying forward the intention of President Kim Il-song in this lifetime.

### PRC RENMIN RIBAO Delegation Departs

*SK3009145294 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 28 Sep 94*

[FBIS Translated Text] The PRC's RENMIN RIBAO delegation, led by Deputy Editor-in-Chief (Wu Chunte), departed Pyongyang by train on 28 September. Paek Tong-kyu, deputy editor-in-chief of NODONG SINMUN, and a counselor of the PRC Embassy in our country, saw the delegation off at Pyongyang Station.

### Foreign Ministry Delegation Leaves for PRC

*SK0310134094 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 3 Oct 94*

[FBIS Translated Text] Our country's Foreign Ministry delegation headed by Vice Foreign Minister Cho Kyu-il left Pyongyang for China by train on 3 October.

### PRC Foreign Ministry Delegation Arrives 3 Oct

*SK0310134994 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 3 Oct 94*

[FBIS Translated Text] A delegation of the Chinese Foreign Ministry led by Wang Yangchang, secretary of the Discipline Inspection Commission of the Foreign Ministry, arrived in Pyongyang by plane on 3 October.

Vice Foreign Minister Pak Myong-ku and PRC Ambassador to the DPRK Qiao Zonghuai received the delegation at the airport.

### Talk on PRC Founding Anniversary, Friendship

*SK0210080294 Pyongyang Korean Central Broadcasting Network in Korean 0230 GMT 1 Oct 94*

[Unattributed talk: "Glorious 45 Years of Struggle and Victory"]

[FBIS Translated Text] Forty-five years have passed since the PRC was founded.

The PRC is the precious revolutionary gain which the Chinese people obtained through struggle; it is their glorious fatherland.

Today, the Chinese people are celebrating the 45th anniversary of their national founding, cherishing great joy for achieving great success in the struggle for the prosperity and development of their country by highly upholding the banner of socialism.

On this occasion, we extend warm congratulations [yolyolhan chukha] and greetings to the fraternal Chinese people.

The founding of the PRC was a great event which opened a new chapter in the long history of the Chinese people, and which turned the relations of the world's forces decisively in favor of the socialist cause, the anti-imperialist cause for independence.

With the founding of the PRC, the Chinese people, who suffered from oppression and humiliation, finally became the masters of their destiny, of the nation, and of society. As a result, a new history of progress and prosperity was opened in China, which was dominated by backwardness and poverty.

The path along which the PRC has traversed has been 45 years of struggle and revolution, 45 years of creation and construction.

The great leader Comrade Kim Il-song has taught: The fraternal Chinese people persistently advanced along the road of socialism—the road of independence and sovereignty—under the correct leadership of the Communist Party of China [CPC] by highly demonstrating the revolutionary spirit of self-reliance and arduous struggle, and by overcoming difficulties and arduous trials.

Thus, by liquidating centuries-long backwardness and poverty, they built on the vast land of China a new mighty China, overflowing with happy socialist life.

Since the PRC was founded, the courageous and diligent Chinese people have built a new socialist China on the land of their fatherland by overcoming repeated difficulties and hardships, doing so by waging the struggle of self-reliance and arduous struggle.

Today, the Chinese people are effecting a continuous advance in the struggle to consolidate their political aspects, which have been stabilized with unity under the correct leadership of the CPC with Comrade Jiang Zemin as the core, and in the struggle to build socialism with Chinese characteristics by maintaining the four basic principles.

Standing against the imperialists' reactionary strategy of peaceful transition and bourgeois liberalization, they constantly registered great success in many domains of the national economy, developed science and technology, and strengthened the nation's defense capabilities.

The Chinese people are actively making efforts to reunify the nation in accordance with the principle of one state and two systems.

The PRC consistently implemented its foreign policy for independence and for protecting the peace. As a result, its international position has been enhanced with each passing day. Thus, the PRC is making great contributions to the cause of peace throughout Asia and the world.

The Chinese people deeply trust the CPC and firmly believe in both the superiority of the socialist system and the justness of the socialist cause through practical experience.

With firm faith to advance along the road of socialism to the end under the leadership of the Communist Party, they are continuously vigorously marching forward.

We are truly pleased with all successes attained by the fraternal Chinese people as if they were our own. We send firm solidarity to their struggle to accelerate socialist modernization and expedite the nation's reunification.

The DPRK and the PRC are close neighbors with mountains and rivers in between; people in the DPRK and the PRC are close brothers and revolutionary comrades-in-arms who shared their destiny in the struggle to achieve a common cause against a common enemy.

The Chinese party, government and people, who treasure the revolutionary sense of obligation, are invariably supporting and encouraging our people's struggle for socialist construction and for the independent and peaceful reunification of the nation.

The DPRK-PRC friendship is a militant friendship forged with blood in the struggle to oppose the imperialists and to build a new society, overcoming the trials of history. This friendship is a precious friendship which has constantly developed on the basis of special friendly relations between leaders of the parties and states of the two countries.

In particular, when our people were in the midst of their greatest national misfortune and pain as the great leader passed away, the Chinese party, government and masses from all walks of life expressed condolences and sent invariable support and encouragement to our people's just struggle. This is a practical example showing the invincibility of the DPRK-PRC friendship.

Our people will make every effort to inherit and develop the DPRK-PRC friendship, which was forged with blood for generation after generation, and will always jointly fight hand in hand with Chinese people on the road for victory of socialism.

Our people sincerely wish the fraternal Chinese people greater success in their just struggle to build socialism with Chinese characteristics under the leadership of the CPC and to achieve the peaceful reunification of the fatherland.

### Editorials Commemorate 45th Anniversary of PRC

*SK0110075894 Pyongyang KCNA in English 0442 GMT 1 Oct 94*

["Papers Hail 45th Birthday of PRC"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—Papers here today dedicate editorials to the 45th anniversary of the founding of the People's Republic of China (PRC).

NODONG SINMUN says:

The founding of the PRC was a radical turn which opened a new epoch of socialism in the history of the Chinese people and an important event which had a great impact on the development of the situation in Asia and the rest of the world.

By taking the line of socialism, the Chinese people could terminate the history of oppression and humiliation, become masters of the state and society and lead a free and happy life.

In the socialist revolution and construction, they have made great changes, liquidated the age-old backwardness and poverty and built a prosperous socialist new China in the wide land of China.

Today the Chinese people, closely rallied around the Communist Party of China with Comrade Jiang Zemin at the core, are vigorously advancing to consolidate stability and unity throughout the country and attain the grand objectives of socialist construction.

They are striving to reunify China peacefully in accordance with the policy of "one country, two systems."

The People's Republic of China, pursuing a foreign policy of independence, sovereignty and peace, has a high authority in the international arena and positively contributes to the cause of peace in Asia and the world.

The Korean people rejoice over the achievements of the fraternal Chinese people in the revolution and construction as over their own.

Korea-China friendship is an unbreakable one which was sealed in blood and has withstood all trials in the protracted joint struggle against imperialism.

The friendship between the two parties, two countries and two peoples is in bloom more beautifully as it was established and nursed by the leaders of the two countries.

The Korean people, true to the intentions of the great leader Comrade Kim Il-song, will continue to set store by and strengthen friendship with the Chinese people.

The traditional Korea-China friendship with a long historical root will steadily grow in strength by the desire and joint efforts of the two parties, two countries and two peoples.

MINJU CHOSON says:

The Korean people believe the traditional Korea-China friendship will grow in scope in various fields by the common desire and efforts of the two peoples. They sincerely wish the Chinese people greater success in the efforts to fulfill the resolution of the 14th National Congress of the Communist Party of China.

### Stamps Issued on PRC 45th Founding Anniversary

*SK0210081594 Pyongyang KCNA in English 0804 GMT 2 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 2 (KCNA)—The Ministry of Post and Telecommunications of the Democratic People's Republic of Korea issued postage stamps marking the 45th anniversary of the founding of the People's Republic of China [PRC].

Seven kinds of stamps, whole sheets of stamps, large and small, edit photos and pictures showing some life and activities of Premier Zhou Enlai.

A small sheet of stamps carries an emotional photo of the great leader President Kim Il-song toasting with Premier Zhou Enlai who visited Korea and on its side a handwriting of the premier that the militant friendship between the Chinese and Korean peoples will be everlasting and a photo of his statue in Hungnam.

Postage stamps show activities of Premier Zhou Enlai who had devotedly struggled for the birth and prosperity of new China.

### Hwang Chang-yop Meets PRC, Pakistani Visitors

*SK0310070494 Pyongyang KCNA in English 0437 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, Sunday met and had a friendly talk with a Pakistani youth delegation led by Fakhar-ud-din Chauhdry, liaison officer to the Ministry of Women Development and Youth Affairs.

The head of the delegation said the great leader Comrade Kim Il- song passed away suddenly when a new era was coming to the world, but the Democratic People's Republic of Korea is successfully building socialism under the correct leadership of his successor.

Expressing the belief that the entire Korean people would make great achievements in the revolution and construction in unity under the guidance of marshal Kim

Chong-il, the guest said the Pakistani people fully support the Korean people in their efforts to achieve the peaceful reunification of the country without outside interference.

Secretary Hwang Chang-yop also met and conversed in a friendly atmosphere with Yoshiyuki Ooe, president of the SBB Company, Ltd. of Japan and director of the Japan-Korea Friendship Data Centre, on the same day.

### Vice President Meets Cambodian King in PRC

*SK0410093994 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 1 Oct 94*

[FBIS Translated Text] King Norodom Sihanouk of the Kingdom of Cambodia, who is participating in the festivities of the 45th anniversary of the founding of the PRC, met Vice President Yi Chong-ok, head of the DPRK party and government delegation, on 30 September.

During the meeting, the head of the delegation conveyed the dear leader Comrade Kim Chong-il's greetings to King Norodom Sihanouk. King Norodom Sihanouk expressed deep gratitude, and asked the head of the delegation to convey his warmest greetings to the dear leader Comrade Kim Chong-il, the marshal of the Republic.

The king said that he truly hopes that results will be achieved in his excellency, the dear leader's lofty work.

### Russian Liberal Democratic Party Delegates Arrive

*SK0310065994 Pyongyang KCNA in English 0428 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—A delegation of the Russian Liberal Democratic Party led by its president V.V. Zhirinovskiy arrived in Pyongyang today. It was met at the airport by Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, and Paek In-chun, vice-chairman of the Supreme People's Assembly, and officials concerned.

### Hold Talks With WPK Delegates

*SK0310151394 Pyongyang KCNA in English 1458 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—The delegation of the Workers' Party of Korea [WPK] held talks with the visiting delegation of the Russian Liberal Democratic Party here today.

Present at the talks on the Korean side were Secretary Hwang Chang-yop, Department Director Hyon Chun-kuk and Vice Department Director Chi Chae-yong of the Central Committee of the Workers' Party of Korea and officials concerned and on the Russian side were the members of the delegation led by Chairman V.V. Zhirinovskiy.

At the talks, the sides informed each other of their activities and exchanged views on the development of friendly relations between the two parties and a series of issues of mutual concern.

Zhirinovskiy said: "We have deeply studied works of respected Comrade Kim Il-song and Comrade Kim Chong-il from long ago. Their political philosophy run through with a man-centred idea and the revolutionary spirit of self-reliance enjoy deep sympathy worldwide today."

He said the friendly and cooperative relations with the Democratic People's Republic of Korea, a neighbour of Russia, and the Workers' Party of Korea would be further strengthened and developed.

The talks proceeded in a friendly atmosphere.

### Lay Wreath at Kim Il-song Statue

*SK0310214294 Pyongyang KCNA in English 1513 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—The visiting delegation of the Russian Liberal Democratic Party led by Chairman V.V. Zhirinovskiy laid a wreath before the statue of the great leader President Kim Il-song on Mansu Hill today.

A guard of honour of the Korean People's Army was lined up beside the statue.

Amid the playing of the dirge, the Russian visitors laid a wreath in the name of the delegation before the statue and observed a moment's silence to honour his memory.

The head of the delegation said: "We witnessed the Korean people in great sadness at the loss of the great leader Comrade Kim Il-song and, through this, we could know better what a good people they are."

The Korean people's continuous mourning for the great leader Comrade Kim Il-song is necessary for many countries of the world, he said, adding that this spiritual world of the Korean people is a great contribution to world politics.

Though the Korean people lost their leader, they have inherited the political tradition and maintained stability in the country, showing an example to many countries of the world, he said.

The august name of President Kim Il-song is known to all people in Russia, he said, adding: "The deep trust of the Korean people in their leader clearly tells the world people how they should value their history and uphold their leaders and enables them to frustrate the hostile forces."

"Comrade Kim Il-song has performed great exploits, indeed. I am happy to believe that his cause will be carried forward without fail," said the Russian party leader.

## Book, Photo, Handiwork Shows Held in Russia

*SK0310105594 Pyongyang KCNA in English 1015 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—DPRK book, photo and handiworks exhibitions held in Kamchatka and Khabarovsk recently evoked a lively response from the visitors.

Anatoliy Nikolayevich Kabakov, chairman of the Khabarovsk Territorial Committee of the All-Union Communist Party of Bolsheviks, said the achievements in politics, economy, culture and all other fields of Korea are associated with the creative activities of the great Comrade Kim Il-song. "I believe that his cause will successfully be accomplished by Comrade Kim Chong-il, the supreme leader of the Korean people, who enjoys deepest respect and reverence of the Korean people and the Russian people," the chairman added.

Nazezhuda Petrovna Valkova, headmistress of middle school No.5 in Khabarovsk, said President Kim Il-song was the great man and a thinker and theoretician who founded the chuche idea.

Gariy Mikhailovich Benzgubenko, a member of the All-Union Communist Party of Bolsheviks and a film director, said dear Comrade Kim Chong-il is a great leader of the era of independence. "The future of the 21st century is bright and the people's destiny is guaranteed in Korea as it is led by dear Marshal Kim Chong-il who personifies the idea and theory of President Kim Il-song", he said.

Lieutenant Colonel Vladimir Fyodorvich of the Kamchatka Squadron of the Pacific Fleet, said the Korean People's Army founded by Generalissimo Kim Il-song and led by Supreme Commander Marshal Kim Chong-il is an invincible army.

"Korea is acting at its own discretion, (?unshaken in the face) of the military pressure and challenge of the US imperialists, because it is guided by General Kim Chong-il, supreme commander of the Korean People's Army, who is a military genius," he said.

A retired colonel, Vladimir Mikhailovich Gorozankin, who is a war veteran in Khabarovsk, said Korean-style socialism is true socialism under which everything is unsparingly dedicated to the people. "We hope that the Korean people would firmly defend the socialist system established by the great leader President Kim Il-song," he said.

## Foreign Minister Kim Meets With Thai Delegation

*SK3009152294 Pyongyang KCNA in English 1509 GMT 30 Sep 94*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA)—Kim Yong-nam, vice- premier and minister of foreign affairs, today met with a delegation of the Foreign Ministry of Thailand led by Director-General for East Asian Affairs of the Ministry Don Pramutwinai.

He conversed with the delegation in a friendly atmosphere.

## Japanese Hunger Strike Seeks War Compensation

*SK0210082194 Pyongyang KCNA in English 0806 GMT 2 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 2 (KCNA)—Delegates of the Association of Bereaved Families of Pacific War Victims and members of Japanese supporting organisations went on a hunger strike in Tokyo on September 29 demanding of the Japanese Government compensations to individuals, according to a radio report from Seoul.

"It is untenable that Japan declared it would seek a permanent seat of the U.N. Security Council without resolving the postwar compensation problem," they said.

They adopted a request demanding that all the postwar compensations be completed by next year.

## Roundtable Held on Drafting of Slave Labor

*SK0110151494 Pyongyang KCNA in English 1458 GMT 1 Oct 94*

[FBIS Transcribed Text] Tokyo, September 29 (KNS-KCNA)—A roundtable conversation between the central headquarters of the fact-finding group on the drafting of Koreans and [words indistinct], a special member of the International Labour Organisation (ILO), was held in Tokyo on September 24.

Yu Kwang-su, head on the central headquarters of the fact-finding group and director of the Social Department of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), said that the [words indistinct] of sex slavery and slave labour forced on Korean draftees is raised still now because no penalties have been inflicted upon those responsible for the past crimes of the Japanese imperialists. "If Japan truly want to break with the past, it must make an apology and a compensation to the victimized countries and peoples," he stressed.

The participants in the roundtable conversation told the special member of the ILO that, though more than 160 cases of infringement on human rights of Koreans in Japan occurred since April this year, the Japanese Government has not taken clear preventive measures to stop them still now. This is because Japan has not fully discharged her responsibility in the postwar period, they noted [words indistinct] member of the ILO said that this is a, undeniable encroachment upon human rights in view of the right of respect for humankind and that the Japanese army soldiers who raped, beat and assaulted Korean girls in the past days were beasts. This inhumane policy is an open challenge to the convention on forced labour and an inexcusable violation of international law, he stated.

He added that attention would be [words indistinct] to this problem at the special committee of the [word indistinct].

### Kazakh, Japanese Friendship Delegations Arrive

*SK3009152094 Pyongyang KCNA in English 1510 GMT 30 Sep 94*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA)—A delegation of the Kazakhstan Society for Friendship and Cultural Relations With Foreign Countries led by its Chairman Zhibek Amerhanova and a delegation of SBB Company, Ltd. of Japan headed by Yoshiyuki Ooe [spelling of names as received], president of the company and director of the Japan-Korea Friendship Data Centre, arrived here today.

### Overseas Korean From Japan Honors Kim Il-song

*SK0210081794 Pyongyang KCNA in English 0809 GMT 2 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 2 (KCNA)—A delegation of Koreans in Japan led by Kwon Son-hwi, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), Koreans overseas and officials of the South Korean Residents Association in Japan (Mindan) on a visit to the socialist homeland laid a wreath before the statue of the great leader President Kim Il-song standing on Mansu Hill and observed a minute's silence in his memory on October 1.

Kwon Son-hwi said:

"Though the respected leader Generalissimo Kim Il-song passed away, he is always with us. Standing in the van of our country and the nation is general Kim Chong-il, the great leader and respected supreme commander who is successfully accomplishing the revolutionary cause of chuche started by the fatherly leader."

He vowed to vigorously struggle for national reunification and the accomplishment of the revolutionary cause of chuche, remaining faithful to the leadership of General Kim Chong-il.

### WPK Secretary Meets Former Thai Party Leader

*SK0110062394 Pyongyang KCNA in English 0417 GMT 1 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea [WPK], on Friday met and had a friendly talk with Phichai Ratthakun, former leader of the Democratic Party of Thailand and chairman of its advisory committee, and his entourage at the Mansudae Assembly Hall.

Phichai Ratthakun said he was deeply impressed by the sight of Korean people visiting the statue of the great leader Comrade Kim Il-song and honoring his memory. "I learned well how deeply they have respected and revered the leader," he added.

He said the revolutionary feats performed by Comrade Kim Il-song, the great leader of the Korean people, will be immortal.

### Regional Economic Cooperation of ASEAN Noted

*SK0310130094 Pyongyang NODONG SINMUN in Korean 7 Sep 94 p 6*

[Article by Yi Kwang-nok: "Regional Economic Cooperation Among ASEAN Countries"]

[FBIS Translated Text] The great leader Comrade Kim Il-song taught: If the third-world countries strengthen economic cooperation and exchange experiences and technology based on the already-established economic basis, their economy can speedily develop without the help of advanced countries.

Today, the ASEAN countries are accelerating the construction of a new society through expanded economic cooperation and exchanges.

It is noteworthy that the ASEAN countries are taking more active actions for expanding the range of economic cooperation and exchanges through various economic treaties, code of acts, and economic organizations.

Western capitalist countries are accelerating the forming of economic unions. The EC and the North American Free Trade Agreement are examples. Such unions are creating significant obstacles for developing countries to penetrate their products into the blocs' markets.

Western capitalist countries are also tenaciously clinging to the protectionist trade policy and canceling the preferential tariff treatment with ASEAN countries. For instance, the United States canceled the preferential tariff treatment to Singapore in 1989. Singapore reportedly lost an income of 50 million Singaporean dollars due to this cancellation.

To cope with the situation, the ASEAN countries have more actively strengthened regional economic cooperation.

The ASEAN countries have advantageous conditions for expanding regional economic cooperation.

The land area of the ASEAN countries, namely Thailand, Indonesia, the Philippines, Malaysia, Singapore, and Brunei, is over 3.05 million square meters, and their population totals 300 million. Their production of major natural resources account for over 80 percent of the world's total raw rubber production, over 60 percent of tin, and over 50 percent of palm oil. Thailand, Malaysia, and Indonesia have a deposit of 8.6 trillion cubic meters of natural gas. Malaysia produces over 30 percent of the world's total tin production. Thailand and Indonesia are renowned tin exporting countries. Thailand and the Philippines produce manganese and ore. Indonesia and Malaysia extract crude oil. Quinine is a specialty of Indonesia and over 90 percent of the world's total export is from here. Indonesia is also the world's largest producer and exporter of black pepper. The Philippines is the world's largest producer of copra and the origin of Manila hemp.

The ASEAN countries are geographically close to each other, which is very advantageous to fulfill each other's economic needs.

Using such advantageous conditions, the ASEAN countries have already made great achievements by developing regional cooperation. Today, the speed of economic growth and the standard of development in these countries are gaining much attention in the world. The gross national product of the ASEAN countries is reportedly over $310 billion.

Based on the achievements, the ASEAN countries are further expanding and developing regional economic cooperation. Above all, "the development of the triangle economic growth zone" is being accelerated. On 19 to 20 July, 1993, the first ministerial-level conference on "the development of the triangle economic growth zone" was held in Lankawi Island, Malaysia, between Indonesia, Malaysia, and Thailand. During the conference, the participating countries agreed to immediately start the development of tourism, processing of agricultural products, and electronic industry, and an official document was adopted. The second conference was held early 1994. The ASEAN countries call the region "Northern Triangle." The total area of the triangle encompassing the two provinces in northern Sumatra island, Indonesia, four provinces in northern Malaysia, and the neighboring five provinces in southern Thailand, is approximately 200,000 square meters with a population of 21 million.

Following the establishment of the "Northern Triangle," the ASEAN countries proposed "Southern Triangle" and "Eastern Triangle," and are actively exerting efforts to jointly accelerate the establishment.

Such moves provide a brighter future for broadly expanding regional cooperation among ASEAN countries.

The ASEAN countries are also seeking ways to further strengthen economic cooperation with other countries in various aspects.

A good example is that Thailand recently has strengthened regional cooperation with countries along the Mekong River, including Laos. Thailand has agreed with the countries to develop the Mekong valley into a major economic and trade center, and is making efforts to implement the plan. Malaysia, Singapore, and the Philippines are also actively strengthening economic cooperation with other countries in Asia.

Recently, the Philippine president said the Philippines is working on the idea of forming a bigger union consisting of the ASEAN countries, Vietnam, Laos, Cambodia, and Myanmar.

The ASEAN countries are accelerating the establishment of the "ASEAN Free Trade Agreement" while making efforts to form an East Asian economic bloc encompassing East Asian countries.

The establishment of the East Asian economic bloc was proposed by the Malaysian prime minister in December 1990. The objective of the proposal is to cope with economic unions of Western capitalist countries, and to expand economic cooperation among East Asian countries and develop regional economy. The proposal was supported by many countries. During the ASEAN economic ministerial conference held on 8 October, 1991, the member states agreed on initiating the "East Asia Economic Committee." Some time ago, the Singaporean Prime minister said that the ASEAN countries should demonstrate that the "East Asia Economic Committee" does not conflict with other regional economic organizations, and that Singapore will continue to support the idea in the future. The Malaysian prime minister stressed that the ASEAN countries should dispel the opposition of the United States and more strongly push ahead with the establishment of the "East Asia Economic Committee."

Establishing the "East Asia Economic Committee" comprising the ASEAN countries and other Asian countries is one of the efforts to protect the economic interests of the countries in the region from economic penetration and plundering, and protectionist trade policy of Western capitalist countries, and to expand and develop regional cooperation and achieve co-prosperity.

Today, the ASEAN is entering a new phase of development. The ASEAN's efforts to expand and develop regional economic cooperation will achieve good results without fail.

## Paper Dedicates Article to Nigerian Anniversary

*SK0110101894 Pyongyang KCNA in English 1012 GMT 1 Oct 94*

["Holiday of Nigerian People"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—Papers here today dedicate articles to the significant anniversary of the independence of Nigeria and the proclamation of the Federal Republic of Nigeria (October 1).

MINJU CHOSON in a by-lined article says:

The independence of Nigeria and the proclamation of the federal republic were an important event which opened a new epoch in the history of the Nigerian people.

Today the Nigerian people are vigorously working to achieve national unity and democratic development and build the national economy.

The Korean people sincerely rejoice over and hail the achievements made by the Nigerian people in the building of a new life, independent and prosperous.

Convinced that the friendly and cooperative relations with the Nigerian people will grow stronger on the basis of the idea of independence, peace and friendship, the Korean people wish them greater success in the efforts for the prosperity and development of the country.

## Egyptian Professor Lauds Workers Party of Korea

*SK0310153894 Pyongyang KCNA in English 1507 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—"The Workers' Party of Korea [WPK], as the organizer of all the victories of the Korean people and their inspirer has performed great feats for the development of the Korean revolution and of the world revolution, declared Prof. and Dr. Jihan Rashiti, dean of the information faculty of the Cairo University of Egypt, when he was interviewed by the KCNA correspondent in Cairo on September 21.

At the interview on the occasion of the 49th anniversary of the founding of the WPK, he said the Korean people have been able to push ahead with the revolution and construction triumphantly, without any turns and twists to this date ever since the liberation thanks to the correct guidance of the Workers' Party of Korea.

"The Workers' Party of Korea owes entirely to the tested and wise guidance of His Excellency President Kim Il-song, the great leader of the Korean people, and His Excellency Kim Chong-il, the supreme leader of the Korean people its pride of being the most authoritative and dignified party in the world," he said, and added:

"The single-hearted unity of the party and the popular masses is the source of strength whereby Korea can get through any difficulties. The road ahead of the Korean people is always bright under the guidance of His Excellency Dear Kim Chong-il, an outstanding and tested leader."

## WPK Founding Committee Created in Mozambique

*SK0310152094 Pyongyang KCNA in English 1503 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—A preparatory committee for functions of celebration of October 10 (the founding anniversary of the WPK [Workers' Party of Korea]) and the month of support to the proposal of founding the democratic confederal republic of Koryo was inaugurated in Maputo on September 27 under the co-sponsorship of the Mozambican Committee for Friendship With the People of the Democratic People's Republic of Korea and the Maputo City Committee of the Frelimo [Mozambique Liberation Front] Party.

Addressing the inaugural meeting, Amaral Matos, first secretary of the Maputo City Committee of the Frelimo Party and first executive secretary of the Mozambican Committee for Friendship With the People of the Democratic People's Republic of Korea, said the Workers' Party of Korea is a experienced and tested party with a long history and all the people are united in one mind around the WPK led by the great leader Comrade Kim Chong-il.

"We will significantly celebrate the founding anniversary of the WPK and support the Korean people's cause of reunification through colorful functions in the month of solidarity with the Korean people," he said.

He further said:

"Korean socialism with a great leader, great people, great party, great idea and wonderful system is invincible. So, no force can destroy the socialist system of Korea."

The minister of interior who is the chairman of the Mozambican Committee for Friendship With the People of the Democratic People's Republic of Korea was elected chairman of the preparatory committee.

## Greetings to WPK Central Committee From Abroad

*SK3009150794 Pyongyang KCNA in English 1502 GMT 30 Sep 94*

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] received messages of greetings from foreign parties and party leaders on the 46th anniversary of the founding of the Democratic People's Republic of Korea.

They came from the Standing Committee of the Central Executive Committee of the Communist Party of the Russian Federation, the Central Committee of the Progressive Party of the Working People of Cyprus, the Central Committee of the Norwegian Communist Party, the Central Executive Committee of the People's National Congress of Guyana, the Political Bureau of the Revolutionary Workers' Party of Uruguay, Feliciano Salomao Gundana, secretary general of the Central Committee of the Mozambique Liberation Front Party, Peter Symon, general secretary of the Central Committee of the Socialist Party of Australia, and Chairperson Betty

Frydensbjerg Carlsson and International Secretary Lisbet Rahbak of the Communist Party of Denmark.

The messages point to the great achievements made by the DPRK in defending the independence of the country and developing the national economy under the guidance of Comrade Kim Il-song, the founder of the Workers' Party of Korea and the great leader of the Korean people.

Noting that the U.S.-led imperialists are resorting to political, economic and military pressure to obliterate socialist Korea but cannot bring the Korean people to their knees, the messages wish the DPRK greater success in maintaining independence, accelerating the socialist construction and achieving the reunification of the country.

### Foreign Embassy Officials Help With Harvest

*SK0110101694 Pyongyang KCNA in English 1003 GMT 1 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—Foreign embassy officials here helped farmers in rice harvest on cooperative farms which have friendly ties with farms of their countries.

Officials of the Chinese, Cuban and Pakistani Embassies helped farmers of the Korea-China Friendship Thaekam Cooperative Farm, the Korea-Cuba Friendship Hwasong Cooperative Farm and the Korea- Pakistan Friendship Taesong Cooperative Farm on the outskirts of Pyongyang.

Officials of the Bulgarian and Cambodian Embassies went to the Korea-Bulgaria Friendship Samjigang Cooperative Farm and the Korea-Cambodia Friendship Paeksok Cooperative Farm in South Hwanghae Province.

Vietnamese Embassy officials gave a helping hand to the Kumchon Cooperative Farm in rice harvest.

They helped farmers who were gathering bumper crops, true to the behests of the great leader President Kim Il-song, and had conversations with them during the break, deepening friendly feelings.

### Foreign Delegations Visit Kim Il-song Statue

*SK0110062194 Pyongyang KCNA in English 0415 GMT 1 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—The delegation of the Kazakhstan Society of Friendship and Cultural Relations With Foreign Countries led by its Chairman Zhibek Amerhanova, a delegation of the SBB Company, Ltd. of Japan headed by Yoshiyuki Ooe, president of the company and director of the Japan- Korea Friendship Data Centre, and a delegation of the Foreign Trade Import and Export General Corporation in Jilin, China, headed by Chairman of its board Wang Xiliang on September 30 laid wreaths and bouquets of flowers before the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang and observed a moment's silence to honour his memory.

Zhibek Amerhanova stressed that Comrade Kim Il-song was a great man and the exploits performed by him are praised by all peoples.

Yoshiyuki Ooe said that though President Kim Il-song passed away, the Korean people are vigorously striving for the prosperity of the Republic and for world peace, united ever closer around Mr. Kim Chong-il.

### Foreign Leaders Support Korean People's 'Cause'

*SK0310103794 Pyongyang KCNA in English 1009 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—Foreign heads of state and government and party leader expressed support to the just cause of the Korean people when they met with the Korean ambassadors to their countries recently.

President of the Congo Pascal Lissouba had this to say:

"We firmly believe that His Excellency Kim Chong-il, the successor to the revolutionary cause of President Kim Il-song, will creditably carry to completion the revolutionary cause of chuche by wisely leading the Workers' Party of Korea and the Korean people."

He voiced support to the stand of the Democratic People's Republic of Korea on the solution to the nuclear issue on the Korean peninsula through the talks between the DPRK and the United States, and hoped that Korea would be reunified in a peaceful way in accordance with the confederacy formula of reunification.

Bulgarian Prime Minister Lyuben Berov supported the efforts of the Korean people to achieve the reunification of the country by their own strength without interference of outside forces and hoped that the nuclear issue on the Korean peninsula would be solved through the DPRK-U.S. negotiations.

The general secretary of the Movement for Democracy in Algeria, Khaled Bensmain, said the Democratic People's Republic of Korea is the only country which is fighting with the United States. "We support the struggle of the peoples of all the countries against the United States," he stated.

### Overseas Media, Figures Praise Korean Socialism

*SK3009151494 Pyongyang KCNA in English 1508 GMT 30 Sep 94*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA)—News media and public figures of different countries highly praised Korean-style socialism centred on the popular masses.

The Zimbabwean paper THE STAR said that the Democratic People's Republic of Korea founded by the great leader President Kim Il-song is a great gain obtained through the arduous revolutionary struggle and a genuine people's government which is successfully carrying out the cause of socialism under the wise guidance of Comrade Kim Chong-il, the supreme leader.

The September issue of a Pakistani magazine noted that the Korean people, under the wise guidance of the great leader President Kim Il-song, have built a powerful socialist state, independent in politics, self-sufficient in the economy and self-reliant in national defence, in the spirit of self-reliance under the difficult conditions after the war in which everything was reduced to ruins.

Radio Satellite of Peru reported:

The DPRK guided by the chuche idea is an anthropocentric country of independence, self-sustenance and self-reliance in defence.

The Korean people are now vigorously advancing to accomplish the cause of chuche under the guidance of his excellency the dear leader Kim Chong-il.

Anas Gadul Haq [spelling of name as received], deputy director general of the MENA of Egypt, said that the Korean people built a powerful country, independent in politics, self-sufficient in the economy and self-reliant in defence in a short span of time under the wise guidance of the Workers' Party of Korea.

Chairman of the Namibia-Korea Friendship and Solidarity Association Kandy Nehova [spelling of name as received] in a statement said that Comrade Kim Chong-il, the supreme leader of the Korean people, is wisely leading the DPRK, true to the intention of the great leader Comrade Kim Il-song in his lifetime. Bright is the future of the DPRK under the tested leadership of Comrade Kim Chong-il, he pointed out.

## Foreign Media Report on Kim Chong-il's Works

*SK0110060294 Pyongyang KCNA in English 0411 GMT 1 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—"Our Socialism Centred on the Masses Shall Not Perish," a famous work of the dear leader Comrade Kim Chong-il, was carried by the Lebanese paper AL RAYAH and the Pakistani paper AMAN.

Printed in the papers are portraits of Comrade Kim Chong-il and a photograph of him giving on-the-spot-guidance to the May Day stadium.

The Egyptian paper AL SIYASSI reported the work "On the Chuche idea" and the radio of Equatorial Guinea "the Workers' Party of Korea organizes and guides all the victories of our people."

## Kim Chong-il's Works Studied in Various Nations

*SK0310071394 Pyongyang KCNA in English 0442 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—Famous works of the dear leader Comrade Kim Chong-il were disseminated and studied in different countries.

A seminar on his work "Our Socialism Centred on the Masses Shall Not Perish" was held by the Society for the Study of the Chuche Idea of Guinean Youth and Students.

The reporter and speakers said His Excellency Kim Chong-il in the work gave a comprehensive exposition of the essence of the Korean- style socialism, its superiority and the source of its invincible might.

They noted that socialism of Korea is quite different from that of east European countries. Because Korea's is socialism which embodies the chuche idea and is based on the singlehearted unity of the leader, the party and the masses.

They said that in Korea all the people enjoy free education and free medical care, free from taxation and unemployment, and that Korean socialism favoured by the popular masses is invincible.

Seminars and lectures on the same work were held in Karachi, Pakistan, by the Burkina National Group of the Chuche Idea, the Group for the Study of the Chuche Idea of Comrade Kim Il-song in South Ruimveldt Gardens, Guyana, the Chuche Idea Study Group of the Voluntary Work Camps' Association of Nigeria, the group for the Study of the Chuche Idea of the Congolese Socialist Party, the Tazanian Group for the Study of Kimchongilism, the Warsaw Regional Committee of the Polish League of Communists "Proletariat" and the Marondera, Zimbabwe, Committee for the Study of the Chuche Idea.

Seminars on the work "On the Chuche Idea" were held by the Lebanese group for the study of the idea and theory of Comrade Kim Chong-il and the Nicaraguan Group for the Study of Kimchongilism.

## Kim Chong-il Sends Thanks to Demobilized Soldiers

*SK0110061494 Pyongyang KCNA in English 0412 GMT 1 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—Comrade Kim Chong-il, the great leader of our party and our people and supreme commander of the Korean People's Army, sent thanks to more than 180 demobilized soldiers and officers who resolved to go to the socialist countryside and their families.

They made up their minds to seek their pride there in devoting all their energy and passion to defending and glorifying the immortal feats performed by the great leader President Kim Il-song for socialist rural construction.

## Kim Chong-il Thanks Officers of People's Army

*SK0210083594 Pyongyang KCNA in English 0827 GMT 2 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 2 (KCNA)—Comrade Kim Chong-il, supreme commander of the Korean People's Army, extended thanks to officers of units of the Korean People's Army who had displayed a high degree of loyalty to the party and the leader.

They had resolved and striven to find out and present rare medicinal materials to Comrade Kim Chong-il who is energically [as received] leading the whole affairs of the party, the state and the revolutionary Armed Forces and finally found a 200-year-old wild insam (ginseng) and several roots of insam dozens of years old.

Comrade Kim Chong-il expressed thanks to them and, with his deep loving care, had them sent to veteran soldiers.

Only recently, he sent all the medicinal and other materials which had been presented to him by soldiers of the People's Army, wishing him a long life in good health, to hospitals for the promotion of the health of soldiers.

## Kim Chong-il Thanks People for Unity With Army

*SK0410055594 Pyongyang KCNA in English 0437 GMT 4 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 4 (KCNA)—Comrade Kim Chong-il, the great leader of our party and our people and supreme commander of the Korean People's Army, sent thanks to many units, working people and students including the Ministry of Labour Administration, the Chongju Primary School in Chongju city, North Pyongan Province, the Haean District, Hamhung City, People's Hospital, the Wonsan City Committee of the Women's Union and Yi Taek-ku of the Kaesong Sewing Thread Mill for their examples in the assistance to the People's Army.

Assistance to the People's Army is a social ethos in the Democratic People's Republic of Korea where the tradition of army-people unity is fully displayed.

## Kim Chong-il's Guidance on Socialism Praised

*SK0210083294 Pyongyang KCNA in English 0824 GMT 2 Oct 94*

["Revolutionary Leadership for Defending Korean Socialism"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 2 (KCNA)—Our- style socialism is always an impregnable fortress because it is guided by the great leader, has a revolutionary people united in one mind around him and is based on the powerful foundations of independence, self-sustenance and self-reliance in defence, says NODONG SINMUN in a by-lined article today.

It is entirely under the wise guidance of the dear leader Comrade Kim Chong-il that our-style socialism has displayed its invincible might without slightest vacillation in the vortex of history, the article says, and continues:

The wise guidance of Comrade Kim Chong-il finds expression in, first of all, strengthening the driving force of socialism and defending socialism with the might of chuche by uniting the popular masses closely around the party and the leader.

It is our dear leader who has laid ideological foundations of our singlehearted unity by expounding the socialist idea of chuche with tireless ideological and theoretical activities and it is also him who has educated the people in a revolutionary manner, grasping the ideology-first-theory, and guided them to make socialism their faith and morality.

Under the energetic guidance of the dear leader, who has led the people to constantly train in the practice of socialist construction, the driving force of our socialism has become all the more invincible.

The wise guidance of the dear leader steadfastly defending our-style socialism finds expression also in increasing the nation's economic and military power to cope with any conditions and circumstances.

He has built ours to be a chuche-based economy dependent on the domestic materials and resources and on the nation's efforts and technology. And he put forward a policy of the chuche-orientation, modernization and scientization of the national economy in conformity with the requirements of the modelling of the whole society on the chuche idea and has brought about a new turn in strengthening the independence of the economy.

The dear leader has energetically guided the People's Army to prepare itself politically and ideologically and equip itself with up-to-date military technology.

He has led our party and people to firmly adhere to the revolutionary principles with the anti-socialist offensive of the imperialists growing intensive. Therefore, the advantages of our-style socialism has been brought into full play and our cause of socialism started by the great leader President Kim Il-song firmly defended.

## Article Published on Kim Chong-il's Work

*SK0310105794 Pyongyang KCNA in English 1026 GMT 3 Oct 94*

["Important Guideline For Strengthening Party and Enhancing Its Leadership Role"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—NODONG SINMUN today carries a by-lined article upon the lapse of four years since the dear leader Comrade Kim Chong-il published the work "The Workers' Party of Korea Organizes and Guides All the Victories of Our People" on October 3, 1990.

The work scientifically proves the necessity of the party's leadership in the accomplishment of the socialist cause and clarifies questions of principle arising in further strengthening the party and enhancing its leadership role as required by the developing reality, the article says, and continues:

For its truth and validity, the work has served as a precious guideline for building a powerful revolutionary party of the working class and strengthening and developing it and has fully displayed its great vitality.

The great vitality of the work is fully demonstrated, first of all, in that our people remain faithful to the leadership of the party, regarding it as the lifeline of the cause of socialism.

In the work the dear leader says the party's leadership is a decisive guarantee for strengthening the driving force of the socialist cause and raising its role, a fundamental condition for advancing the socialist cause on the basis of a correct strategy and tactics and an indispensable demand for consistently adhering to the revolutionary principles and thoroughly embodying them in the whole course of the accomplishment of the socialist cause.

The collapse of socialism and the revival of capitalism in the countries which had built socialism for scores of years are attributable to their failure to strengthen the party and ensure its correct leadership over socialist construction.

Since the dear leader scientifically expounded the absolute truth that the party's leadership is the lifeline of the socialist cause, the reactionary nature of all the sophism for slackening and rejecting the party's leadership has been fully revealed.

Our people keenly feel that they cannot emerge victorious nor can take a step forward without the leadership of the party.

The great vitality of the work is fully demonstrated also in that our party is displaying its might more eloquently as a chuche-type revolutionary party with the advance of the revolution.

In the work Comrade Kim Chong-il said our party must be further strengthened and developed to be a revolutionary party of chuche type and, to this end, it is necessary to strictly maintain the revolutionary character of the party, further cement its unity based on monolithic ideology and leadership and constantly consolidate and develop the blood ties between the party and the masses.

Today our party is steadily invigorating the efforts for modelling the whole party on the chuche idea, holding high the banner of the chuche idea, and bringing the unity of the party and its blood ties with the masses to a new, higher stage.

The great vitality of the work is fully manifested also in that our party is constantly developing its work in depth, taking the work with the people as the keypoint.

In the work the dear leader gives scientific answers to questions of principle arising in the party strengthening its leadership with the work with the people as the keypoint in conformity with the requirements of the chuche idea and the mission and duty of the working-class party.

Today our party shapes all the lines and policies in conformity with the will and demand of broad segments of people and implement them by bringing their creativity into full play as indicated by the dear leader. It also looks after the socio-political life and material and cultural life of the people, fully responsible for them.

Indeed, the work has made an immortal contribution to inspiring the people with the firm faith in the party and developing the cause of party building in our age to a higher stage.

## 'Feats' Performed by School's 10 Heroes Noted

*SK0310102994 Pyongyang KCNA in English 1001 GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—The Hongwon Senior Middle School which is known to the whole country is situated in Hongwon County in the coastal area of South Hamgyong Province of Korea. It has produced ten heroes.

The feats performed by the ten heroes can be read in "records on heroes" at the school.

The first hero of them is Yu Yon-ki, a second-term graduate.

In the fatherland liberation war (June 1950- July 1953), he participated in the aircraft-hunting group movement and brought down six planes of the enemy in a few days with his heavy machine gun to become a hero of the Republic in his twenties.

After him, Yi Tong-su became a hero of the Republic for his distinguished services in combat and political training and performance of his military duties and Pak Myong-chong and Kim Ok- chong were awarded the title of labour hero for their merits in scientific researches and the development of stock-breeding technique. These three are third-term graduates of the school.

Choe Hak-kun, Kim Yang-kon, Kang Ho-sik, Han Myong-ho and An Tong-hyok who, in their school days, resolved to become heroes, hearing the story about the exploits of the first hero, won the titles of hero of the Republic or that of labour hero by devotedly working for the party and the leader, the country and the people, for the society and the collective.

An Tong-hyok is one of the heroes of the Republic produced in the 1990s. He died a heroic death at the age of 22 after saving many comrades by covering a handgranade on the point of explosion with his body.

The exploits of the heroes are a pride of their alma mater.

The school widely organises story-telling meetings, meetings with heroes, education through the records on heroes and collections of true stories and other means of education to instil the spirit of the heroes into the minds of the students. As a result, good deeds are highly displayed among students.

In March last year when a semi-war state was declared in the country, all the students of the graduating classes of the school volunteered for the Korean People's Army, firmly resolving to become bombs and shells defending the party and the leader with their lives.

Today, the teachers of the school are devoting all their energies to educating the students on the principle of socialist pedagogy and bringing them up to be dependable heirs to the revolutionary cause of chuche and performers of heroic feats.

## Kang Song-san Attends WPK Monument Ceremony

*SK0110100794 Pyongyang KCNA in English 1000 GMT 1 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA)—A monument to the party founding, a symbol of the historic course of the Workers' Party of Korea [WPK] and the source of its invincibility, will be built in Pyongyang to honor the significant 50th anniversary of the WPK founding next year.

The monument will occupy an area of 250,000 square metres in Munsu Street, east Pyongyang, opposite to the statue of the respected leader President Kim Il-song on Mansu Hill.

The dear leader Comrade Kim Chong-il, guiding the overall affairs of the party, the state and the army, found time to examine the design of the monument several times, indicated in detail its main thematic idea and content and chose its site.

50-metre-high granite towers of the shapes of hammer, sickle and writing brush, symbolic of the workers, the peasants and the intellectuals, will be erected on a round belt structure with a diametre of 50 metres, symbolic of the singlehearted unity of the leader, the party and the masses, which will be supported by a round foundation 70 metres in diametre.

An epitome of the history of the party's struggle will be carved in relief on the wall of the round belt structure, and the wide area around the monument will be turned into a park.

The ground-breaking ceremony for the monument took place on Friday [30 September] with Kang Song-san, Politburo member of the C.C. [Central Committee], the WPK and premier of the Administration Council, and other senior party and government officials and builders in attendance.

Hong song-nam, alternate Politburo member of the C.C., the WPK and vice-premier of the Administration Council, made a report to be followed by speeches.

The reporter and speakers said the construction of the monument to the party founding represents the noble intention of the Korean people to highly praise the immortal revolutionary exploits of President Kim Il-song, the founder and leader of the Workers' Party of Korea, and convey the greatness of the party to the generations to come.

Through the construction of the monument, the party members and other working people will clearly demonstrate to the whole world that the Korean people are a strong-willed people who vigorously fight to accomplish the revolutionary cause of chuche under the leadership of the party, firmly convinced that the Korean revolution will win, led by the dear leader, they said.

The participants began work after the ceremony.

### Other Leaders Attend Ceremony

*SK0210102494 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 30 Sep 94*

[FBIS Translated Text] With the approach of the 50th anniversary of the founding of the Workers' Party of Korea [WPK], a monument marking the party's founding will be erected in Pyongyang, the capital of the revolution.

The monument marking the party's founding, which will be built on Munsu Street on the banks of the Taedong River, will be a unique and outstanding monument, matchless in the era of the Workers' Party in terms of its substance and form.

The monument will consist of a tower on which will be displayed a 50-meter-high hammer, sickle, and brush—the logo of our party; a cylindrical-shaped girdle-like wall; and a 70-meter-long stylobate.

Depicted on the cylindrical-shaped girdle-like wall, which will be in harmony with the tower, will be various stone engravings which show the history of our party's struggle and the might of singlehearted unity.

Indeed, the monument marking the party founding will serve as an immortal historic monument, a comprehensive and epochal compilation of the brilliant revolutionary achievements made by the great leader, the founder and leader [yongdoja] of the glorious WPK, and by the dear leader in the cause of their party building.

A ground-breaking ceremony for the monument was held on the morning of 30 September.

Placed in the center of the location where the ground-breaking ceremony was to take place was a portrait of the respected and beloved leader Comrade Kim Il-song, and such slogans as "Long live the great leader Comrade Kim Il-song!" and "Long live the glorious WPK!"

Also placed at the location where the ceremony was to take place, along with several hundred red banners flying, were numerous pictures and slogan boards displaying such slogans as "Let us thoroughly carry through the remarks made by the dear comrade leader on 15 September, 1994!" "Let us unconditionally complete the construction of the monument marking the party founding before the 50th anniversary of the WPK founding!" and "What the party decides, we will do!"

Attending the ground-breaking ceremony were Comrade Kang Song- san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Comrades Kye Ung-tae and Han Song-yong, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; Comrade Hong Song-nam, candidate member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission; Comrade Kim Ki-nam, secretary of the WPK Central Committee; Comrade Pak Nam-ki, chairman of the Municipal Administrative and Economic Committee of Pyongyang; functionaries from the relevant sectors; functionaries from the central organs; members of the shock brigades of the party members; and construction and other workers.

The ground-breaking ceremony began with the songs "General Kim Il-song" and "Dear Comrade Kim Chong-il."

Comrade Hong Song-nam delivered a report at the ground-breaking ceremony.

### More Reports on Fourth Pyongyang Film Festival

*SK3009150394 Pyongyang KCNA in English 1458 GMT 30 Sep 94*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA)—The Fourth Pyongyang Film Festival of Non-Aligned and Other Developing Countries which opened on September 26 is drawing large crowds of cinemagoers.

Showing at the current festival are movies vividly depicting the noble spiritual world of the world's progressive people who are building a new free and peaceful world without aggression and war, domination and subjugation and value justice and truth.

The Chinese feature film "Schoolmistresses of a Mountain Village" well shows the mental and moral traits of schoolmistresses striving to bring up the younger generation well.

The Mongolian feature film "A Man" shows the spiritual world of human beings trying to defend morality and justice and the Thai feature film "Namphu" shows the harmfulness of drugs.

The Cambodian feature film "Miserable Life of Peasant Brother and Sister," the Iranian feature film "The Quiet Home," the Indian feature film "Magrib," the Vietnamese feature film "Wild Reed," the Sri Lankan feature film "Man and Wife," the Bangladeshi feature film "The Conch-Blue Prison" and films of Sweden, Poland and other countries left deep impressions to moviegoers.

The Ethiopian documentary film "For a Solution to the Water Problem" and documentary films presented by the UNPF [expansion not given], the UNDP [United Nations Development Program] and other international organizations were also shown.

## South Korea

### Agenda for U.S. SCM, MCM Meetings Previewed

*SK0410023694 Seoul YONHAP in English 0202 GMT 4 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 4 (YONHAP)—Defense Minister Yi Pyong-tae and his entourage departed Tuesday for Washington to attend the 26th republic of Korea-United States Security Consultative Meeting (SCM) slated for Thursday and Friday at the pentagon.

Yi and his U.S. counterpart William Perry will head their respective delegations at the SCM. The 16th Military Committee Meeting (MCM) will also be held simultaneously, presided over by South Korean Joint Chiefs of Staff Chairman Yi Yang-ho and his U.S. counterpart John Shalikashivili.

The SCM is expected to analyze the security situation on the Korean peninsula following North Korean leader Kim Il-song's death in July, discuss joint measures to cope with it, and reconfirm the two sides' close coordination in keeping Pyongyang from developing nuclear weapons, according to ministry sources. Whether to conduct the "Team Spirit" exercise this year and the issue of cost-sharing for the upkeep of U.S. troops in Korea are likely to be taken up as well.

With regard to the transfer of Korean forces' operational control in peacetime to Korea, which is to take effect on Dec. 1, the two ministers are set to finalize its scope and procedures.

On "the ROK-U.S. security cooperation formula oriented toward the 21st century," which is under joint review, the two nations are expected to report the outcome of their respective studies. Ways of reinforcing security cooperation in the medium and long term will also be addressed.

Meanwhile, the MCM is expected to consider how to improve combined command in connection with the return of operational control authority to Korean forces. Means of supplementing Korean forces' vulnerable warfare ability during the first stage of war and expanded support for U.S. Forces' strategic and tactical information capability are due to be discussed. They are also likely to look into possible North Korean provocations and threats.

The SCM is attracting attention as it comes when the security environment on the Korean peninsula is undergoing changes after the death of Kim Il-song, and while the U.S.-North Korea high-level talks in Geneva on Pyongyang's nuclear program are experiencing rough sailing.

### U.S. 'Not' To Include Seoul on Priority List

*SK0410070794 Seoul YONHAP in English 0616 GMT 4 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 4 (YONHAP)—As the United States and Japan have reached a dramatic agreement in their protracted trade negotiations, the U.S. Government will not include South Korea in the group of "priority foreign countries" tipped for possible action under the Super 301 trade provision, Trade, Industry and Energy Ministry officials said Tuesday.

Commenting on a report by the U.S. trade representative on identifying trade expansion priorities released in Washington on Monday, one official observed that because the U.S.-Japan trade talks ended in agreement, it is almost certain that Washington will not single out other Asian nations' trade practices for priority negotiations.

The United States and Japan recently agreed on widening U.S. access to government procurement of telecommunications and medical equipment and the insurance and flat glass markets in Japan, but failed to find common ground on a further opening of Japan's car and car parts markets. Washington is ready to start investigating these Japanese markets under section 301 of the U.S. Trade Act, instead of retaliatory action under the Super 301 trade provision.

### DPRK 'Major Challenge' to Nonproliferation

*SK0410022794 Seoul YONHAP in English 0152 GMT 4 Oct 94*

[FBIS Transcribed Text] New York, Oct. 3 (YONHAP)—South Korean Foreign Minister Han Sung-chu on Monday branded North Korea "a major challenge" to nuclear non-proliferation and demanded that it fully clear up suspicions over its nuclear program.

Throwing his country's full support behind an indefinite extension of the nuclear non-proliferation treaty (NPT), Han called for enhancing the strength of the International Atomic Energy Agency (IAEA) safeguards system.

"A major challenge to the NPT regime is the North Korean nuclear problem," Han said in a keynote speech to the 49th session of the UN General Assembly.

"The suspicions surrounding the North Korean nuclear program should be completely cleared up by securing transparency of its nuclear activities, past and future as well as present," Han said.

"If North Korea fulfills its obligations in good faith, we will do all we can to assist the Democratic People's Republic of Korea (North Korea) in the peaceful use of nuclear energy... and stand ready to make our technological and capital resources available for North Korea's overall economic development in the spirit of mutual prosperity."

Han's comments came amid a stalemate in nuclear negotiations between North Korea and the United States. The two sides are to sit down again for talks this week but no major breakthrough has yet been made.

The foreign minister emphasized his country's past and future role within the United Nations in seeking support for South Korea's bid to gain a non-permanent seat on the Security Council for 1996- 97.

Welcoming the United Nations' "Agenda for Development," he said his country was ready to share its experience to promote global economic and social development.

The Seoul government is well aware of the importance of humanitarian assistance, demonstrated by its aid to troubled spots such as Rwanda, and remains committed to UN peacekeeping activities as evidenced by its dispatch of teams to Somalia, Western Sahara and Georgia. Moreover, it plans to join UN standby forces, Han said.

"Through active engagement in global affairs, Korea seeks to play its due role within the United Nations framework," he said. "It is in this vein that the Republic of Korea has presented its candidacy for a seat on the Security Council for the 1996-97 term."

### Han Warns Against North's Reloading Fuel Rods

*SK0410075994 Seoul YONHAP in English 0742 GMT 4 Oct 94*

[FBIS Transcribed Text] New York, Oct. 4 (YONHAP)—South Korean Foreign Minister Han Sung-chu warned Monday that dialogue between the United States and North Korea could break off if Pyongyang reloaded fuel into its one operating nuclear reactor, asserting the dispute would then face referral to the United Nations Security Council [UNSC].

Han, in New York for a U.N. General Assembly session, said at a press meeting with South Korean correspondents that the reloading of fuel rods might not be illegal under the International Atomic Energy Agency (IAEA), but would provide a reason to refer the matter to the UNSC as it would undercut the basis for U.S.-North Korean talks and constitute non-compliance with nuclear safeguards agreements, including Pyongyang's refusal to allow IAEA special inspections.

He said, however, that North Korea was well aware of the unbearable burden this would entail, just as it was earlier when the Security Council debated sanctions against the North under its late President Kim Il-song.

Asked why nuclear negotiations between Washington and Pyongyang had stalled, Han said the true North Korean position would emerge when the Geneva talks resume this week. He added that the North might hold out to the bitter end and then concede at the last minute.

With regard to a question on whether the communist state was continuing to construct two other nuclear reactors, Han said work on the project has been halted.

When queried about the possibility of such countries as Germany or Japan assisting in building reactors for North Korea, he said he had not entertained any such thoughts. "No country other than South Korea has so large an interest in assisting (in constructing) light- water reactors."

As to whether there are any differences of opinion on the North's nuclear problem among moderates and hardliners in South Korea, he said that most support dialogue while acknowledging the co-existence of Cold War and non-Cold War-oriented viewpoints within South Korea.

The minister also disclosed that President Kim Yong-sam will visit the United Nations next year to attend a special general assembly function commemorating the 50th anniversary of the world body's founding.

## NSP Chief Says North Stepping Up Subversion

*SK0410100994 Seoul YONHAP in English 0955 GMT 4 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 4 (YONHAP)—Kim Tok, director of the Agency for National Security Planning (NSP), warned on Tuesday that North Korea has been stepping up subversive operations against the South.

"North Korea has trained about 100,000 operatives for use against the South through several organizations specializing in southward operations," Kim said. He said one of such setups is "Department for United Front" of the Workers' (communist) Party.

In a testimony during a parliamentary inspection of his agency, the NSP chief said that to manage the huge number of operatives, North Korea has newly set up a southward division under the control of socio-culture department of the Workers' Party.

"North Korea has lately been concentrating on indirect infiltration by way of third countries instead of direct penetration," Kim was quoted as saying by Rep. Sin Sang-u, chairman of the assembly Intelligence Committee.

Kim also said he believes the National Security Law should be retained at least until there is a substantial change in the North's attitude toward the South.

## North Reportedly Trains Spies in Model of Seoul

*SK0410073094 Seoul CHOSON ILBO in Korean 4 Oct 94 p 31*

[YONHAP report from Tokyo]

[FBIS Translated Text] North Korea has built streets resembling those of Seoul at the underground ROK hall located beneath a mountain near Pyongyang and is training spies there. AERA, a Japanese news magazine, reported this in its latest edition published on 3 October, quoting Mr. An Myong-chin, 26, a former North Korean Army captain who defected to the ROK. Mr. An revealed in an interview: "The ROK hall consists of plywood models of eight kilometers of Seoul streets as well as models of Kwanghwamun and Namdaemun." He also said: "Infiltration training is conducted by 70 former South Koreans."

He also said: All goods displayed in the ROK hall, including toothbrushes and soap, are from the ROK." He went on to say: "There is even a model of Chongwadae [presidential offices] because it is important." He also said: Six ROK newspapers and magazines are available there. Thus, one can get the latest information there. There are also video tapes of ROK movies. These movies were taped by using antennas in Haeju. There is a large number of taped ROK television programs, as well.

Mr. An, a graduate of Kim Chong-il Political and Military University, a North Korean agency for training operatives, said: "The university is a six-year university for training spies. It is now known to ordinary people." He said that he entered this school in 1987 and received training in kidnapping, destruction, agitation, and martial arts. Located in Sinmi-ri, Yongsong District, Pyongyang, the guards open fire when anyone approaches within 300 meters from the school. He added that the ROK hall was built underground beneath a mountain behind the school.

He also said: "Among the 70 instructors, one can easily tell those who defected to North Korea from those who were kidnapped because they are treated differently." He went on to say: "One of my Japanese teachers was a person who was kidnapped." Mr. An defected to the ROK on 4 September 1993 while carrying out an operation to ambush ROK guardposts and examine equipment after crossing the Military Demarcation Line.

## Army Chief of Staff Reviews North Military

*SK0410083894 Seoul CHUNGANG ILBO in Korean 4 Oct 94 p 1*

[Report by Kim Kyo-chun and Pak Sung-hui]

[FBIS Translated Excerpt] On 4 October, the National Assembly conducted inspections of the Army Headquarters, city of Inchon, the Ministry of Government Administration, and the Securities Supervisory Board. [passage omitted on AWOL soldiers incident]

He [Army Chief of Staff Kim Tong-chin] went on to say: "Recently, the danger of North Korea's provocation is increasing in view of the fact that North Korea is increasing its armaments and preparedness, including increased activities of North Korea's ground forces and arms buildup."

He said this at that day's inspections of the Army Headquarters by the National Assembly. He added: "In 1993, the cases of the North Korean Army's exercises were 2,114. But, in 1994, such exercises increased to 2,740. In January and February, 15 North Korean front-line divisions conducted tactical exercises in the field; and in July and August, five divisions conducted a river-crossing exercise in the area around the Yesong River."

He noted: "While continuing to develop the Nodong No. 1 and Taepodong Nos. 1 and 2 missiles, North Korea is preparing to deploy additional batteries of Scud missiles in Pyongyang and Chongchu. North Korea is also putting spurs to developing new-type weapons in such a way as to produce improved types of missile warheads."

In connection with North Korea's arms build-up, he said: "North Korea has augmented or reorganized 20 corps, depending upon their individual missions. In terms of its long-range guns, North Korea has augmented 170-mm guns from 288 to 324; and 240-mm guns from 126 to 166 in terms of number."

### Discusses 'Accelerated Pace'

*SK0410125994 Seoul YONHAP in English 1243 GMT 4 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 4 (YONHAP)—North Korea has been building up arms at an accelerated pace and staging much more field exercises lately than in the past, Army Chief of Staff Gen. Kim Tong-chin said Tuesday.

Testifying during a parliamentary inspection of his Army Headquarters, Gen. Kim said the People's Army held a total of 2,740 field exercises in the first nine months of this year, which compare with 2,140 exercises held in the whole period of last year.

Presently, he said, North Korea is building roads leading right to the Military Demarcation Line, which he said are wide enough to facilitate the movement of mechanized units.

In addition, mine-laying facilities are being installed at all the North Korean fishing boats of 500 tons or higher tonnage, Kim said.

As for military hardware, Gen. Kim said North Korea has additionally deployed 36 more 170-mm guns and 40 240-mm guns this year and been steadily developing modern weapons like Nodong-1 missiles and Taepodong Nos. 1 and 2 missiles.

The North Korean Navy, he said, has a fleet of submarines and speed landing craft able to land two regiment-strength troops simultaneously.

The types of the North Korean long-range fire arms that threaten the South's capital area include 27 Scud-C missiles, 240-mm multi- barrage guns and 100 170-mm self-propelled guns, Gen. Kim said.

## Life of North Korean Army Soldiers Detailed

*SK0410051894 Seoul HANGUK ILBO in Korean 3 Oct 94 p 27*

[Article by reporter Hong Yun-o]

[FBIS Translated Text] Recently, there was a case in which two Army second lieutenants and one sergeant deserted their barracks with arms in protest against the lukewarm disposition of an insubordination involving their colleagues and men, occurred recently, and this is indeed an astounding incident. At a time when, with this incident as an occasion, establishing strong military discipline has become a more urgent task today, we are also interested in the military life of North Korean soldiers whom we face today.

In North Korea today where the position of military establishment and its influence are particularly higher than in any other country it is known that not only do soldiers enjoy better treatment than ordinary North Korean civilians, but also that their morale is very high as a result of the army authorities' thorough personnel management.

This notwithstanding, there have been reports of serious shortages of food, fuel, winter clothes, and other military supplies for North Korean soldiers, and of soldiers being mobilized in various labor work in addition to the various military exercises, to earn foreign currency and supplement their shortage in food. Reports also indicate that as a result, complaints are increasing among North Korean soldiers, and the North Korean military authorities are seeking measures to forestall possible trepidation among soldiers.

"The Korean People's Army [KPA]" claims that its root is the so-called anti-Japanese guerrillas. In other words, the KPA stresses that the norm of life of the anti-Japanese guerrillas which was formed in the 1930's is precisely the indispensable factor for strengthening and developing the KPA's spiritual combat power.

Accordingly, North Korea takes "unity between officers and men" and "unity between the military and civilians," which originates from the tradition of anti-Japanese guerrilla fighters, as a basic motto for its military. North Korea also stresses that exemplary deeds of superiors are necessary to achieve "unity between officers and men."

For example, according to a report, it is mandatory that all KPA commanders and staff officers of grades higher than colonel assume the duties of security guard at a frontline division for 15 days in a year. While performing their duties as security guards, these commanders and staff officers do not wear their rank insignia but wear the enlisted man's uniform and live with other KPA enlisted men in the same barracks.

However, an official concerned at the National Defense Ministry stated: This is nothing but a "trick" to deceive men into enlisting. In fact, the North Korean Army is more undemocratic and bureaucratic than the army of any other country in the world.

He added: The so-called "unity between military and civilian" that North Korea talks about implies that all the people should uphold the People's Army and unite around it, and not that they should cooperate with each other on an equal footing.

Besides, the North Korean Army has also propagated that commanders always mingle with enlisted men and maintain close ties with them, displaying a spirit of setting practical examples, and that they use an honorific expression toward lower enlisted men. The North Korean Army has also propagated that the act of beating subordinates is regarded as a "counterrevolutionary crime" and thoroughly banned in the Army and that not only the beater but also the commander of the unit to which the beater belongs is to be severely punished.

However, the act of beating subordinates and calling them names is a common sight in the North Korean Army and enlisted men cannot express dissatisfaction over it for fear of "future troubles." Those who have violated military discipline are to be severely punished, and even the platoon or the company to which violators belong is to be jointly responsible for the violation.

It has been reported, however, that such a specious principle has not been strictly observed in the North Korean Army and that because of their poor living conditions soldiers' morale has been extremely depressed.

According to the former North Korean Army enlisted men who have defected to South Korea, although each soldier is to receive, in principle, the food ration of 800 grams (700 grams for civilian) a day, soldiers still suffer from hunger due to the serious food shortage in North Korea. They also revealed that since 1973 each soldier's food ration for four days has been deducted every month in the name of "Resered Food To Use in an Emergency" and that since 1983, 10 percent of the deducted food ration has been deducted again in the name of "patriotic rice."

During the period from mid-August to late September soldiers are to be mobilized in collecting acorns which are needed in making soysauce and soybean paste in their military camps. It has been also reported that since 1992 a system of locking the fuel tanks of vehicles has been adopted in the military units because of the shortage of fuel.

## Hanchongnyon Views Student's Visit to DPRK

*SK0410113194 Seoul YONHAP in English 1016 GMT 4 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 4 (YONHAP)—The Federation of Korean University Student Associations, better known as Hanchongnyon, said on Tuesday Choe Chong-nam, a Hanchongnyon leader, visited Pyongyang last Saturday on his own at a time when the federation was discussing whether to send a delegate to North Korea.

Hanchongnyon nevertheless recognizes Choe as a Hanchongnyon delegate, an official of the student organization said.

A report said earlier Choe, a co-secretary general of the Pan- National Youth-Student Association for the Unification of the Fatherland (Pomchonghangnyon), left Berlin last Friday for Pyongyang aboard a North Korean special airliner.

The Hanchongnyon man said the North Korean Student Committee had invited a Hanchongnyon delegate to visit Pyongyang, adding the invitation was extended through Pomchonghangnyon's joint secretariat.

"Last Sunday we advised Choe to meet Kim Chong-il around the time he rises to full power and call for an early inter-Korean summit meeting," the official said.

He said the instructions were given in a facsimile message sent by way of the Berlin-based joint secretariat.

In Pyongyang Choe would unavoidably express condolences over the death of Kim Il-song, but his major activities there would be centered on unification-related matters, he said.

Expressing the hope Choe's visit to Pyongyang would help provide a breakthrough in currently strained inter-Korean relations, the official said Hanchongnyon expects the Seoul government would understand the affirmative aspect of his visit.

## PRC Reportedly To Supply Crude Oil to North

*SK0410090394 Seoul MUNHWA ILBO in Korean 4 Oct 94 p 1*

[Article by Han Chong-ho]

[FBIS Translated Text] The PRC will reportedly provide North Korea with 1.45 million tonnes of crude oil soon. An ROK Government official said anonymously that "the information was conveyed by two high-ranking PRC Government officials who paid an unofficial visit to the ROK recently. The terms for the crude oil supply are that half will be free and the remaining half will be sold at a 'preferential price,' which is half of the international price." The supply of oil demonstrates the

PRC's commitment to maintain the "blood-tie" relations with North Korea even after the death of Kim Il-song and remain a supporter of the North Korean regime.

The PRC Government's crude oil aid to North Korea is to prepare for the winter, when the energy demand is high but hydraulic power generation is difficult in the dry season. The aid is interpreted as the PRC's intention to become a "practical supporter" of the Kim Chong-il system. Specialists on North Korean affairs believe that the recent harvest and the oil aid saved the "short-term crisis" of food and energy in North Korea, providing a positive condition for Secretary Kim Chong-il's official succession of power.

The PRC's oil supply to North Korea is noteworthy in terms of the Northeast Asian order because recently the ROK and the United States strengthened the military counter-posture against North Korea by resuming the Team Spirit exercises while the PRC also conducted a large-scale landing exercise on 23 August to "support North Korea during an emergency on the Korean peninsula."

The PRC-North Korean relations have increased rapidly after the death of North Korean President Kim Il-song. The two countries demonstrated their friendship by exchanging Foreign Ministry delegations on 3 October. Prior to this, North Korean Vice Foreign Minister Song Ho-kyong visited the PRC as a "special envoy" on 30 August, and Vice President Yi Chong-ok led a delegation to participate in the ceremony of the PRC's 45th founding anniversary.

## Hwang In-song Meets North Vice President in PRC

*SK0210035994 Seoul KYONGHYANG SINMUN in Korean 2 Oct 94 p 4*

[From the "Reporter's Seat" column]

[FBIS Translated Text] Hwang In-song, former ROK prime minister who is now visiting China upon the invitation of PRC-ROK Friendship Society (President Zhu Muzi), met with Yi Chong-ok, North Korean vice president, who is visiting China at the invitation of the Chinese Government, during a reception held in the People's Assembly Hall on the evening of 29 September to mark the 45th anniversary of the founding of the PRC. They exchanged greetings for about three minutes. Assemblyman Kim Yong-kwang (Democratic Liberal Party, DLP), who accompanied former Prime Minister Hwang to Beijing, said that he first went to Yi Chong-ok, who was sitting on the head table together with President Jiang Zemin and Premier Li Peng just across the table where former Prime Minister Hwang's entourage was sitting, and exchanged greetings with Yi Chong-ok by handing over his name card. As the result, former Prime Minister Hwang exchanged greetings with Yi in a natural manner through an introduction by Assemblyman Kim. Showing a big smile on his face, former Prime Minister Hwang introduced himself to Yi Chong-ok, and said, "I am glad to meet you. We should achieve the reunification at an early date." Then, Yi replied "We should realize reunification. But why does the South disturb dialogue?" Thus, their conversation did not go on.

Assemblyman Kim added that "Since they were conversing while standing behind the head table where President Jiang was sitting, former Prime Minister Hwang was unable to respond. As I approached Yi first and handed over my name card, he seemed to be embarrassed but responded to my greetings in a awkward manner."

Assemblyman Kim revealed that as he said that "Do you not think that the reunification issue can be discussed and the top leaders of the North and the South can meet only after Kim Chong-il's official power succession is completed?" thus implicitly asking the timing of Kim's power succession. However, Yi Chong-ok, evading the answer to the power succession issue, merely stressed "hindrance of dialogue."

Former Prime Minister Hwang expressed a wish to continue conversing with Yi Chong-ok to no avail. However, Assemblyman Yi Sung-yun (DLP); Pak Song-yong, president of ROK-PRC Friendship Society and chairman of Kumho Group; and Choe Chang-nak, adviser to Kumho Group, joined the two in a natural manner, and had a picture taken with Yi Chong-ok.

## North Proposed 'Contacts' With ROK in PRC

*SK0110111994 Seoul TONG-A ILBO in Korean 1 Oct 94 p 2*

[Report by Kim Chung-kun from Beijing]

[FBIS Translated Text] It was confirmed on 30 September that the DPRK, which is in a hurry to adopt reform and opening up policies, has proposed holding contacts between North Korean authorities and ROK business representatives this October in order to induce investment by ROK companies in the DPRK.

Pyongyang is making active efforts to induce investment by ROK companies, proposing specific projects such as expansion of processing trade deals [imgagong muyok], development of the Mt. Kumgang tourist zone, investment in basic facilities in the Najin- Sonbong development area, and development of natural water resources.

A Korean business source in Beijing stated on 30 September: "In late September, North Korean authorities contacted each ROK company operating in the PRC and conveyed their desire for a high-level DPRK authority in charge of the economy to contact ROK business representatives in Beijing in October."

The source added he was informed that the purpose of the DPRK's contact with ROK businessmen will be "to explain the conditions and preferences for ROK companies to invest in the DPRK."

ROK business circles and authorities concerned are carefully studying the proposal.

It has been learned that early this year the DPRK enacted laws on reform and took subsidiary measures so it could prepare a foundation for free passage of competent personnel and material from the South, and could proivide various tax preferences for ROK companies when they invest in the DPRK.

## Red Cross Passes Letters for North Fighters

*SK0410081294 Seoul YONHAP in English 0735 GMT 4 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 4 (YONHAP)—The Korean National Red Cross (KNRC) has intervened in passing on correspondence between two North Korean guerrilla fighters, former long-time prisoners in the South who have refused to switch their ideological allegiance, and their families in the North.

KNRC Secretary-general Yi Pyong-ung made the revelation Tuesday during a National Assembly inspection of the administration.

Yi disclosed that the KNRC has helped relay correspondence between Kim Kuk-hong, 65, and Ham Se-hwan, 62, both North Korean guerrilla fighters jailed for long terms, and their respective families since June via the League of Red Cross Societies (LORCS).

The exchange of letters was carried out secretly for fear that it would provoke North Korea, Yi said, saying it took place with the consent of KNRC President Kang Yong-hun and Rep. Pak Sang-chon of the opposition Democratic Party.

According to Yi, the KNRC delivered to Kim (alias Kim In-so who lives in Kwangju) a letter from his daughter Kim Hwa-sim, 49, a Pyongyang resident, after receiving it from the LORCS on June 23. On Aug. 10 it helped pass on the father's response to his daughter in North Korea, also via the LORCS.

On Aug. 29, it received a second letter for Kim and the first one from Ham's sister Ham Suk-yo, 82, who lives in North Korea's Ongjin, South Hwanghae Province, to Ham, a resident of Taejon, from the LORCS and then delivered them. It sent the two men's responses to North Korea on Sept. 14.

Yi said the intervention took place on a humanitarian level without any political intentions.

In her first letter to Kim, his daughter asked after her father's health and safety while expressing her affection. "I cannot sleep well and I feel like (I am) chewing sand when I eat, due to worry about father who suffers hardships in the South."

In answer, Kim said that "I would not be glad even if I was given a lump of gold here. I just want to go home."

Meanwhile Ham's sister said, "I have waited eagerly for your homecoming for the last two years since I learned that you are alive in the South." Ham replied, "How fortunate for family members who have survived to exchange letters like this."

Kim entered South Korea in 1950 and was arrested after two years' service as a guerrilla staff officer in South Cholla Province. He was released from prison in 1981 after serving 24 years in jail for three cases involving violation of the anti-communist and national security laws. To this day, he has refused to renounce communism.

Ham joined the (North) Korean People's Army in 1950 and was arrested in 1953 after serving as a guerrilla fighter in South Kyongsang Province. He was imprisoned for 20 years and was placed in preventive custody from 1975 to 1988. He has also refused to switch ideology.

## Firms Obtain Right To Develop North's Complex

*SK0110120194 Seoul KBS-1 Radio Network in Korean 1100 GMT 30 Sep 94*

[FBIS Translated Text] A South Korean firm obtained the rights to develop and lease the Najin-Sonbong Free Economic and Trade Zone, which the DPRK has been actively pushing, hoping to overcome its economic difficulties by introducing foreign capital. Taeho Construction Company and Haedok Express Company obtained the rights last month to develop the Najin-Sonbong industrial complex, along with the Sono Business Group, a Korean-Chinese business firm in Yanbian, PRC. The two firms stated they received a written certificate guaranteeing these rights; it was signed by Kim Chong-u, chairman of the DPRK External Economic Cooperation Committee.

The certificate states the said three firms form a real estate development consortium to build an industrial complex.

An official of Daewoo Construction said Kim Ha-chong, president of Haedok Express, visited the DPRK last August with Yi Song-ho, president of Sono Business Group—both with National Unification Board approval—to receive the certificate of guarantee. The official added that the consortium will undertake the design of the industrial complex on a 3-million-pyong scale; they will form another consortium with ROK business groups to construct the industrial complex.

However, the government expressed doubts, stating the exchange of a written certificate is a civilian-level transaction, and is not likely to be realized unless preconditions for resolving the nuclear issue are met.

## Government Draft of New Peace Pact Analyzed

*SK0310094594 Seoul CHOSON ILBO in Korean 3 Oct 94 p 2*

[Report by Hong Sok-chun: "Background of Government Pushing for 'New Peace Pact'"]

[FBIS Translated Text] Since China withdrew its delegation from the Military Armistice Commission [MAC] on 1 September, our government can no longer ignore the North Korean peace pact offensive. China's decision to summon its delegation sends a mixed message, including the abandonment of its automatic interference in the Korean peninsula in case of an emergency. However, no one can deny that this decision is also designed to surreptitiously support North Korea's insistence on the invalidity of the Armistice Agreement.

In the wake of the second session of the third round of North Korea-U.S. talks and of the UN General Assembly, the government studied a plan to mention first the peace pact issue in an attempt to block in advance North Korea's propaganda offensive.

This plan was prompted by the fact that the current Armistice Agreement has lost, in actuality, its function after March 1991 and that the North Korean call for a "new peace mechanism" has generated a certain response by the Third World. It has been learned that the government has already worked out a plan to positively propose a peace pact to coincide with Kim Chong-il's power succession and the North-South dialogue.

However, it appeared that the government had been dragged by the North Korean propaganda offensive at the current UN General Assembly. On 22 September, a day before the second session of the North Korea-U.S. talks in Geneva, North Korea sent an official letter to (Yanez Barnuev), chairman of the UN Security Council, which called for concluding a "new peace pact," and promptly distributed it to all member states. It appears that there are a few reasons for the government to be less positive about the argument with North Korea over a peace pact. First, the government is in agony as to how it should respond to the North Korean call for "withdrawal of U.S. troops" which will certainly be raised after the "peace pact" is concluded.

The government believes that the presence of UN forces at the MAC, even as a formality, makes it feel easy in the event of an emergency situation. Another reason is that if the government is hastily involved in the peace pact issue before trust is built between the North and the South, the government may be forced to give North Korea another excuse to cause trouble.

Both the ROK and the United States maintained the firm principle that the peace pact is an issue which should be resolved between the parties concerned in the North and the South in accordance with the North-South Agreement. Their position toward North Korean offensive is that "goodwill-oriented indifference" is a good medicine. Article No. 5 in the North-South Agreement stipulates that "the North and the South shall make joint efforts to turn the present armistice status into a state of durable peace, and the two sides shall observe the current Armistice Agreement until such state of peace is achieved." Needless to say, there is no other provision regarding the interpretation of the "state of peace."

However, relevant government officials frankly admit the problems in the current armistice system. In particular, they think that since China, a member constituting one side of the Armistice Agreement, withdrew from the MAC, it does not seem appropriate for the UN forces to continue to remain in the MAC by themselves. The cross-border passage system, which requires the approval of the commander of the UN forces in case of cross-border travel between the North and the South, also presents certain problem in terms of territorial sovereignty.

By putting all this into account, the Foreign Ministry is preparing a draft of "the new peace pact" which contains as its key point the establishment of a "mutual cross-border passage system" which has been excluded in the North-South agreement. This draft would include mutual recognition of the Military Demarcation Line, guarantee of nonaggression, and cross-border travel.

The government finalized its position that we should take the initiative regarding the peace pact instead of being dragged by North Korean allegations. Thus, there is the possibility that our government will propose a new peace pact containing our plan at the appropriate time when the liaison offices—one of major issues at the third round of U.S.-North Korea talks—open.

## Business Executives Depart for Sverdlovsk 2 Oct

*SK0310020894 Seoul THE KOREA TIMES in English 3 Oct 94 p 8*

[FBIS Transcribed Text] The Korea-CIS (Commonwealth of Independent States) Economic Association yesterday sent a delegation to the Russian state of Sverdlovsk to discuss economic cooperation.

The delegation, headed by association chief Choe Chong-hwan, comprises 19 managers and executive officials from 19 companies including Goldstar, Daewoo Corp., Samsung Electronics, Sunkyong Limited and Kolon.

The delegates, who will stay until Oct. 8, are focusing their sights on such Sverdlovsk industries as electronics, communications, steel and non-ferrous metals, an association official said.

They will have a series of meetings with Sverdlovsk officials to discuss substantial commercial deals.

Sverdlovsk, located at the center of the Ural region, Russia's key industrial base, boasts of having the highest income standards and the most developed industrial structure in the Russian Federation.

Simultaneously, the state has the most abundant natural resources and ranks second in terms of industrial production. It takes less than two hours by car to get from Sverdlovsk to Moscow, Russia's capital.

### Dispatching of Troops to Ex-Yugoslavia Studied

*SK0410022894 Seoul YONHAP in English 0111 GMT 4 Oct 94*

[FBIS Transcribed Text] New York, Oct. 3 (YONHAP)—The South Korean Government is studying dispatching non-combat troops to former Yugoslavia as part of the United Nations peacekeeping operations (PKO), it was learned Monday.

Noting that the government has received several letters from UN Secretary-General Butrus Butrus-Ghali asking for the dispatch of South Korean troops to former Yugoslavia, a senior government official said a response to the request is "now being studied by relevant government agencies including the Defense Ministry."

The United Nations hopes that South Korea will send combatants to help keep public security there.

"In view of public sentiment, however, it appears premature for the government to send combat troops to former Yugoslavia, which is still beset by serious ethnic conflicts," the official added. "But a dispatch of engineering or medical units can be considered in a forward-looking manner."

South Korea's UN Ambassador Yu Chong-ha also said, "it is necessary for South Korea, in view of its international standing, to increase its contributions to the world body through PKO participation and increased sharing of UN finances."

Following its dispatch of an engineering unit to Somalia last year as part of PKO activities, South Korea this year has sent a medical unit to West Sahara and will soon provide military inspectors for Georgia.

### Ministry Releases Sep Trade Deficit Figures

*SK0310085094 Seoul YONHAP in English 0542 GMT 3 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 3 (YONHAP)—South Korea's trade deficit stood at 494 million U.S. dollars on a customs clearance basis in September, with exports rising 15.6 percent from a year earlier to 8,308 million dollars and imports jumping 25.4 percent to 8,802 million dollars, according to trade figures tentatively compiled and released by the Trade, Industry and Energy Ministry Monday.

The month's deficit is compared with a surplus of 165 million dollars registered in the same month last year.

The cumulative trade deficit in the first nine months of the year came to 5,663 million dollars, up 2,894 million dollars from the comparable period of last year. The aggregate exports in the period amounted to 67,365 million dollars against the imports of 73,028 million dollars.

In September, the semiconductor, petrochemical and steel industries recorded a two-digit export increase, thanks to normal operations in spite of the four-day Chusok holidays. In particular, the car and shipbuilding sectors registered an export boost of over 20 percent, indicating that they are cleared of the aftereffects of the protracted labor disputes in the summer.

Exports to developing countries increased by 15 percent, helped by a whopping 40-percent boost in exports to China, while those to developed countries climbed by 8 percent.

The rising import trend of capital goods and raw materials combined with increased imports of consumer goods, particularly fish, textile products and sundry goods to push up September's import growth rate to more than 25 percent.

Import licenses issued in the month rose 29.2 percent, indicating that the high import growth rate will continue for some time to come.

### Foreign Exchange Reform Subcommittee Submits Plan

*SK0210041994 Seoul THE KOREA HERALD SUPPLEMENT in English 2 Oct 94 p 2*

["Excerpts" of a reform plan recommended by the Foreign Exchange Reform Subcommittee in September, 1994]

[FBIS Transcribed Text] 1. Current-account transactions

Tax laws, instead of the Foreign Exchange Management Act, will regulate payments related to corporations' external activities. Regulations on overseas travel expenses will be relaxed. Notification by corporations and individuals will replace validation by foreign exchange banks to simplify payment procedures.

A. Payment of export and import commissions

Validation will replace approval by the Bank of Korea [BOK] and their ceilings will be lifted in the first stage, or in 1995.

In the second 1996-97 stage, the validation requirement will be lifted, but in the case of payments exceeding a specified limit, the bank through which such a payment is made will be required to notify the Office of National Tax Administration (ONTA).

B. Payment of maintenance and operation expenses of overseas offices In the second stage, it will be liberalized, but in the case of payments exceeding a specified limit the bank involved will be required to notify ONTA.

C. Payments arising from credit and liabilities between residents and nonresidents

They will be liberalized in the second stage. But in the case of payments exceeding a specified limit, the bank involved will be required to notify ONTA.

D. Overseas travel and sojourning expenses

Two alternatives have been suggested. According to the first alternative, the payment of these expenses will be liberalized in the second stage, but in the case of expenses exceeding the specified limit, approval by the Bank of Korea will be required.

In the second alternative, the ceilings on those expenses will be abolished in the third 1998-99 stage.

E. Export advances and export down payments

In the first alternative, they will be liberalized within a limit which will be raised in the first stage. Payments exceeding the limit will require approval by the central bank. The limit will be raised in the second and third stages.

In the second alternative, the government will practically abolish the limit by raising the limit to a level equal to 30 percent of the previous year's export amount.

F. Deferred payments and installment payments for imports

The government will continue to increase the deferred payment period to match international standards. Within the prescribed period, the payments will be liberalized.

G. Intermediary trade

It will be liberalized in the second stage. But in the case where the payment for imports is not made within the prescribed period after the receipt of the payment for exports, approval from the central bank will be required

2. Capital-account transactions

The government will allow corporations to borrow money from abroad freely to finance their import of capital goods, but will continue to restrict cash loans.

Priority will be given to liberalizing the issuance of equity- linked bonds abroad over those not linked to equity and commercial loans. Priority will be also given to overseas borrowing for overseas operations.

The government will open domestic financial markets in the order of stock, bond and money markets.

In the case of non-resident investment in bonds and money market instruments, the government will open the primary markets before the secondary markets.

The government will take into consideration the development of the domestic capital market before liberalizing stock issuance by non-residents in the domestic securities market.

While liberalizing overseas direct and indirect investments by residents in the near future, the government will liberalize overseas foreign currency deposits and real estate investment on a longer term.

The government will liberalize corporate investment abroad earlier than investment by individuals.

A. Commercial loans from abroad

In the first stage, the government will allow foreign-invested enterprises making investments accompanied by high technologies and corporations investing in infrastructure to borrow money from abroad.

In the second stage, overseas borrowing for these purposes will be permitted to all corporations, subject to examination. In the third stage, overseas borrowing for these purposes will be liberalized.

Overseas cash borrowing will be subject to approval from the central bank until after the third stage.

The government will permit overseas loans obtained to retire existing loans. But a new loans's maturity should not exceed that of an existing one.

B. The issuance of stocks in overseas markets

Listing domestic stocks in foreign securities markets will be liberalized in the first stage. The government will simplify the conditions under which depositary receipts are issued in the first stage. In the second stage, it will be completely liberalized.

C. The issuance of bonds in overseas markets
a. Foreign currency-denominated bonds

Conditions under which foreign currency-denominated bonds are issued in foreign countries will be significantly simplified in the first stage, and they will be made minimal in the second stage.

In the third stage, bonds issued to finance the import of capital goods will be liberalized. But equity-linked bonds will be liberalized in the second stage.
b. Won-denominated bonds

Their issuance will be subject to approval by the government until after the third stage.

D. The issuance of money market instruments abroad

The government will ease the conditions under which foreign currency-denominated money market instruments are issued in the first stage. The conditions will be made minimal in the third stage.

The issuance of won-denominated money market instruments will be subject to approval until after the third stage.

E. Non-residents' investment in the domestic stock market

One alternative has it that the government will gradually increase the ceiling on non-resident investment in domestically listed stocks throughout the three stages from the current 10 percent.

In the second alternative, the government will abolish the ceiling except on some industries.

F. Non-residents' investment in the domestic bond market

In accordance with the Third-Stage Plan for Financial Liberalization and Market Opening, or the "Blueprint," foreign investors will be allowed to invest indirectly through the unit trust bond funds in the first stage.

In the second stage, they will be allowed to invest directly in non-guaranteed, long-term bonds issued by small-and medium sized companies.

Finally in the third stage, they will be allowed to invest in domestic listed bonds, including government and public bonds, on a limited basis.

G. Non-residents' investment in the domestic money market

Investment in money market instruments will be subject to approval from the government until after the third stage. However, in the third stage, the subscription of foreign currency-denominated money market instruments will be allowed on a limited basis.

H. Stock issuance by non-residents in the domestic market

The government will liberalize the listing of foreign stocks and the issuance of depositary receipts will be liberalized in the first stage. Requirements concerning the types of stocks that can be listed, the conditions for listing and other requirements will be stipulated by laws governing securities exchange.

I. Bond issuance by non-residents in the domestic market

The issuance of foreign currency-denominated bonds will continue to be subject to approval from the government in the first stage. It will be permitted after examination in the second stage and liberalized in the third stage.

The issuance of won-denominated bonds will be subject to approval from the government in the first stage, subject to notification by the issuers in the second stage and liberalized in the third stage.

J. Money market instrument issuance by non-residents

The issuance of both foreign currency-denominated and won- denominated money market instruments will be liberalized in the third stage.

## International Marine Transport Network Planned

*SK0410123994 Seoul KYONGHYANG SINMUN in Korean 4 Oct 94 p 7*

[By Chang Yun-yong]

[FBIS Translated Text] The government plans to build an international marine transport network, with Kwangyang and Pusan as the axes, under the policy to elevate the ROK's position in the Asia-Pacific economic zone as a core Northeast Asia transportation base in the early 21st century.

In preparation for a possible rapid increase of trade between China and other countries of the world, the government plans in particular to intensively develop Kwangyang as an international container port that connects China and the Pacific region.

On 3 October, the Economic Planning Board [EPB], along with the Korea Development Institute, and the Korea Institute of External Economic Planning, mapped out a basic program to implement 12 tasks for "economic internationalization," including the above plan, and will release a final blueprint before the end of this year after consulting with government offices concerned and reporting to the president.

An EPB official stated on 3 October: "Developing our country as a transport stronghold in the Northeast Asian economic zone is actively being considered as a mid- and long-term policy for the 21st century." He added: "In light of the economic potential of this region and our country's geographic location, it is necessary for this region to play the role of an important traffic point in the future."

Kwangyang port's container stevedoring capacity is 3.6 million TEU [twenty-foot equivalent units] at present and, according to the draft plan mapped out by the government, it will be increased up to 14 million TEU by 2010. The government will also sharply increase investment in indirect public works capitals and facilities by inducing civilian funds.

As of 1993, the ROK's trade with the United States amounted to $36 billion; with Japan, $34 billion; and with China, $10 billion. It is anticipated, however, that trade with these three top trade partners will reach $140 billion; $150 billion; and $130 billion, respectively, by 2010.

Accordingly, trade with China in 2010 is expected to increase more than 10 times from 1993, and it is necessary to map out a strategy to make Kwangyang our transport base for China, in preparation for the rapid increase of trade between the two countries, as well as to make it a point that connects China and the Pacific region.

Plans are actively being reviewed to develop the Pusan port as a marine transportation route that connects the United States, the Straits of Tsugaru of Japan, Hong

Kong, and Singapore, and as another marine transportation route that takes cargo from Southeast Asian countries via Hong Kong to the Far East Vostochnyy Port, where the Trans-Siberia Railroad ends.

It has been learned that the government is also considering completing Yongjongdo Airport ahead of schedule in a bid to make our country a Northeast Asia traffic point not only for cargo but for passengers.

A person involved in the economic internationalization task stated: "Only when the mid- and long-term task is successfully advanced, can we win the competition with Japan over the marine transport routes that connect China, a great future market, and the Pacific-based countries including China, the Untied States, Canada, and Australia."

## Posco Chairman Elected IISI Vice Chairman

*SK0410072494 Seoul YONHAP in English 0625 GMT 4 Oct 94*

[FBIS Transcribed Text] Colorado Springs, Colorado, Oct. 4 (YONHAP)—Kim Man-che, chairman of Pohang Iron and Steel Co. (Posco), was elected vice chairman of the International Iron and Steel Institute (IISI) at an IISI general assembly here Monday.

This marks the first time that an executive from a steel mill in a developing country has been chosen IISI vice chairman.

C.H. Barnette, chairman of Bethlehem Steel Corp. of the United States, was elected IISI chairman while Heinz Kriewet, chairman of Thyssen Steel Co. of Germany, and Takashi Imai, president of Nippon Steel Corp., were also selected as vice chairmen.

The new IISI chairman will lead the institute for one year before a successor is named, with Kim standing a good chance of being chosen in the near future, according to industry sources.

The IISI General Assembly was attended by 325 representatives from 134 steel mills in 29 countries.

The IISI, established in July 1967 in Brussels, Belgium, is aimed at enhancing the understanding and welfare of member companies while conducting research and surveys on economic, social, legal and technological issues involving the steel industry.

## Reshuffle of Economic Ministers Studied

*SK0410023994 Seoul YONHAP in English 0212 GMT 4 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 4 (YONHAP)—The government will carry out on Tuesday a minor cabinet reshuffle in which Finance Minister Hong Chae-hyong will be named deputy prime minister and economic planning minister, government sources said Tuesday.

Chief Presidential Secretary for Economic Affairs Pak Chae-yun will replace Hong as finance minister, with vice economic minister Han I-hon likely to succeed Pak, according to the sources.

President Kim Yong-sam conferred with Prime Minister Yi Yong-tok Tuesday morning at Chongwadae, the presidential office, to discuss the cabinet reshuffle, which will be announced shortly.

Deputy Premier Chong Che-sok reportedly tendered his resignation to Premier Yi earlier Tuesday, citing health reasons, official sources said.

Finance Minister Hong returned abruptly Monday afternoon from Madrid, Spain, cutting short his attendance at the 49th annual general meeting of the International Monetary Fund and the World Bank, to meet with President Kim.

The forthcoming cabinet shake-up, together with President Kim's future course, is attracting attention given that the parliamentary inspection of the Economic Ministry is underway and that Finance Minister Hong was attending an international conference.

Reports had it that the chief executive, as a means of riding out his current political troubles, was mapping out a major cabinet and ruling party reshuffle including the foreign affairs and national security portfolios late this year or in early 1995. In this connection, observers are focusing on President Kim's intent with respect to the partial cabinet shake-up affecting economic posts.

## Deputy Prime Minister, Finance Minister Named

*SK0410021394 Seoul KBS-1 Radio Network in Korean 0200 GMT 4 Oct 94*

[FBIS Translated Text] This afternoon [as received], President Kim Yong-sam conducted a cabinet reshuffle involving some economic cabinet members, including the deputy prime minister for economic affairs.

Reporter Kim Chin-sok will provide details on this:

[Begin Kim Chin-sok recording] President Kim Yong-sam appointed Finance Minister Hong Chae-hyong, deputy prime minister and minister of the Economic Planning Board; Senior Presidential Secretary for Economic Affairs Pak Chae-yun, minister of finance; and Vice Minister of the Economic Planning Board Han I-hon, senior presidential secretary for economic affairs. [end recording]

## New Economic Ministers Profiled

*SK0410034894 Seoul YONHAP in English 0300 GMT 4 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 4 (YONHAP)—President Kim Yong-sam on Tuesday accepted the resignation of Vice Prime Minister and Economic Planning

Minister Chong Chae-sok, carrying out a partial cabinet reshuffle in which Chong was replaced by Finance Minister Hong Chae-hyong.

Senior Presidential Secretary for Economic Affairs Pak Chae-yun has been appointed the new finance minister.

The post of senior presidential secretary for economic affairs has been filled by Vice Economic Planning Minister Han I-hon.

Senior Presidential Spokesman Chu Ton-sik termed the shake-up "a rotation among economic ministers stemming from the illness of Vice Premier and Economic Planning Minister Chong Chae-sok."

"The scope of the cabinet reshuffle has been minimized with a view to maintaining the current economic policy lines as the economy operates without a hitch, prices are under control and exports progress as planned," Chu said.

President Kim Yong-sam was scheduled to present letters of appointment to new Vice Premier and Economic Planning Minister Hong, Finance Minister Pak and Chief Presidential Secretary for Economic Affairs Han at Chongwadae Tuesday morning.

Earlier Tuesday morning, President Kim conferred with Prime Minister Yi Yong-tok at the presidential office on the minor cabinet reshuffle, the spokesman said.

Former Vice Premier Chong called on President Kim at Chongwadae last Saturday afternoon and tendered his resignation on the ground that his illness makes it hard for him to fulfil his duties, according to the spokesman.

Deputy Premier and Economic Planning Minister Chong's sudden resignation amid the ongoing parliamentary inspections of the administration has led to speculation in some quarters that he offered to quit to take responsibility for the recent financial and tax scandals. Chu flatly dismissed such talk, however, saying that "he resigned for health reasons."

Because President Kim excluded from Tuesday's cabinet reshuffle the foreign, security and law and order-related ministers whose replacement has long been talked about, he is expected to replace these ministers, along with key postholders in the ruling Democratic Liberal Party, in a large-scale reshuffle late this year or in early 1995.

Finance Minister Hong Chae-hyong returned home Monday afternoon, cancelling his schedule at the IMF-World Bank meeting in Spain, to meet with President Kim Yong-sam.

New Deputy Prime Minister-EPB [Economic Planning Board] Minister Hong Chae-hyong, 56, is a graduate of Seoul National University, business major. Native of Chongju, Northern Chungchong Province, he joined the Ministry of Finance in 1963 and serves until he goes into presidential secretariat for economic affairs in 1983. [sentence as received] He later serves as director of international policy coordination at EPB, returns to the Finance Ministry as first assistant minister, then moves on as chief of the Customs Administration. He was president of the Export-Import Bank of Korea and the Korea Exchange Bank before he was named finance minister in December 1993.

New Finance Minister Pak Chae-yun, 53-year-old native of Pusan, majored in economics at Seoul National University. His resume includes professor at his alma mater, member of the board of directors for the Korea Development Bank, president of the Korean Association of Financial Studies and chief of the Korea Monetary Institute.

He was special assistant for economic affairs to President Kim Yong-sam when he was head of the ruling Democratic Liberal Party.

Pak was a starting member of the presidential secretary team from February 1993.

Han I-hon, native of Kimhae, 50, majored in business at Seoul National University. He joined the EPB in 1970 and served in policy coordination and budget coordination divisions.

He was with the presidential secretariat for economic affairs and also served as economic specialist commissioner for the ruling Democratic Liberal Party [DLP].

He was special assistant for economic affairs to Kim Yong-sam when he was head of the DLP and chairman of the EPB's Fair Trade Commission.

### Economic Official Details Outlook

*SK0410040794 Seoul THE KOREA TIMES in English 4 Oct 94 p 1*

[By staff reporter Kim Chang-yong]

[FBIS Transcribed Text] The architect of the New Economic Policy, the blueprint for the Kim Yong-sam administration's five- year economic plan, proposes a strong partnership between the public and private sectors as they together devote themselves to enhancing Korea's international competitiveness.

Vice Economic Planning Minister [newly appointed chief presidential secretary for economic affairs] Han I-hon explains the administration's globalization strategy aims at making the country one of the most attractive investment and trade markets, defining globalization as a process of keeping the Korean economy abreast with the current trends in leading world economies.

"As local and foreign enterprises move briskly in search of the best business climate in the world, we will put priority in our economic policy on creating the most favorable environment here in Korea," he said in an interview at his office in the Kwachon government complex last weekend.

"Through the process," he said, "we can accept sophisticated technology, capital, government systems and economic modus operandi of developed countries. We also can back our business firms as they advance to the international community."

He said globalization of the economy is a prerequisite to reinforcing the comparative advantage of domestic products and to joining the ranks of the most industrialized countries.

The 50-year-old chairman of the across-the-board committees for deregulation and reinforcement of national competitiveness is taking the initiative in reducing government intervention in the private sector and leading the economy to market forces.

His Economic Globalization Committee and 41 working subcommittees covering almost all public services are matching domestic economic systems and regulations to the norms of world standards, first of all, while his Deregulation Committee is cutting red tape left and right.

In his capacity as leader of the weekly vice ministers' meeting, he also adjusts and coordinates policies so they are commensurate with the status of Korea as the 13th largest trading power of the world scheduled to become a member of the Organization for Economic Cooperation and Development in 1996.

The country is proceeding step by step to membership of the prestige club of 25 advanced nations, a historic development which will symbolize victory for the capitalist South which has dashed ahead with dynamic growth since the war with the communist North just 40 years ago.

"Our most crucial job is to build the most effective and convenient economic and social systems for the most demanding companies, both domestic and foreign, to choose Korea as their investment and business centers at a time when the private economic players are fully guaranteed to move their locations anywhere beyond the borders in a globalized society.

"All restrictions on business activities will thus be eased to the level of developed countries gradually and no new bottlenecks will be established," he stressed. "Capital and foreign exchange markets will be liberalized to an extent with which enterprises from advanced countries are satisfied."

He cited the need for a "business-government partnership" as a new paradigm which he said could survive "endless competition" in and outside the country in the 21st century.

"If globalization and openness mean an opening of opportunity, then the administration will no longer be able to subsidize or meddle in the business sector efficiently. A new business- government partnership is needed to jointly step up competitiveness as a sublime amalgamation of the capabilities of the government, enterprises and individual people."

He agreed to the idea of a group of big industrialists that the administration should put an end to its locomotive role in economic development and rather put its shoulder behind the private sector.

Representatives of large conglomerates, which have grown largely under government protection, are now championing laissez-faireism. Choe Chong-hyon, chairman of the Sunkyong Group and head of the Federation of Korean Industries, usually cries, "Leave us alone," while Hyosung Group chairman Cho Sok-nae says "the least is the best policy."

Han, however, would not accept such comments based on negative assessment of the current government role and instead urged private companies to "positively adjust to the changing business climate and reform their management in preparation for the future."

The administration's part will be increasingly limited to such key tasks as bringing about conditions for a "fair and open competition" will be assured, Han said.

One more task will be expansion of the infrastructure that is non-tradable and hard for the private sector to set up.

Yet Han, who taught President Kim economics as his senior advisor two years ago, strongly defended the way the administration and especially its economic team are going, turning down criticism from a part of society.

As to the disappointing assessment of Korea's competitiveness in the recent WEF-IMD [World Economic Forum-International Institute for Management Development] rankings, he countered that it is difficult to evaluate a country's "national competitiveness" objectively. "It is more of a term of current affairs than a technical economic one and so evaluations tend to depend on subjective beliefs about objectives of policy or their criteria."

He pointed out that the Swiss-based World Economic Forum and the International Institute for Management Development placed Korea fifth in terms of potential competitiveness for the year 2010 in their April report.

The nation stood first among 37 developed and developing counties in a survey of their future competitiveness issued by Union Bank of Switzerland in August 1993, he added.

Still, he conceded that the administration must do everything in its power to ensure substantial and tangible deregulation because Korea's low standing stemmed from "backward government regulation."

He denied that the administration is taking highhanded measures to meet its main goal of price stabilization by forcing or at least "leading" large producers and retailers to cut their prices in the authoritarian manner common in the past.

His own explanation: the administration should not stand with its arms crossed at a time when a free and fair competition does not exist in reality.

## Scope of Officials Subject to Probe Expanded

*SK0310020094 Seoul THE KOREA TIMES in English 3 Oct 94 p 2*

[By staff reporter Pak Sung-yong]

[FBIS Transcribed Text] The government has geared up to launch its second round of an anti-corruption campaign as it finalized its plan to expand the scope of government officials subject to asset registration.

The government has decided to have all officials in charge of tax administration and civil petition register their assets as an institutional step to eradicate corruption in officialdom, especially by lower echelon officials.

The decision, apparently prompted by the massive tax embezzlement scandal involving low-grade officials in the western port city of Inchon, was made at a meeting of senior presidential secretaries.

Officials at Chongwadae, the presidential office, said that the government will revise the Civil Servants Ethics Law to expand the scope of those officials subject to assets registration.

Under the planned revision, all officials working for the Board of Audit and Inspection, prosecutors' office, the Office of National Tax Administration, the Office of Customs Administration, and fire stations will have to register their assets with the Government Administration Ministry from next year.

In case of police, the scope of assets registration will be expanded to include policemen with the rank of sergeant and above.

The revised law will also include all officials working for audit departments of government offices and tax officials in local governments.

From 1996, officials in what the government calls the five civil service fields most vulnerable to corruption such as construction, health, sanitation and environment must list their assets. And all policemen will also be the target of asset registration.

In other fields, officials holding grade four and above, as it is now, will have to register their assets.

Under the government move, the number of those who will be subject to asset registration will increase to about 94,000 from the current 34,624 from next year and will reach as many as 192,000 from 1996.

Ranking officials in charge of audit and inspection of government officials expect the plan to serve as an effective tool to separate corrupt low-grade officials from officialdom to say nothing of preventing irregularities.

"During the second round of anti-corruption campaign, a number of corrupt low-grade officials are expected to voluntarily leave the officialdom because of their 'ill-gotten wealth' as many high- ranking officials did during the last year's first round," said Pyo Se-chin, assistant to the prime minister for audit and inspection.

However, the officials point out the main problem in making the plan effective will be how to find out if the registered assets are ill-gotten or not.

Under the current law, ethics committee formed in each government offices are empowered to investigate authenticity of the registered assets lists. But they had a hard time last year investigating the over 34,000 officials who registered their assets.

"In this connection" Pyo went on, "The committees should be given more manpower and legal rights to determine of officials' assets are duly earned or not."

Especially, he said, the government should empower them to look into bank accounts of government officials with ease if they are suspected of garnering wealth in an "illegal manner."

"Under the current system requiring the use of real names in all financial transactions, effective investigation of graft cases in virtually impossible because bank accounts must be kept confidential by law," he added.

Pyo said the government's move to confiscate the ill-gotten assets of government officials involved in irregularities as well as the wealth they accumulated on the strength of them will also cut down corruptions in officialdom.

But some officials expressed concern that government plan for the second round anti-corruption campaign will dampen the morale of officials.

"I agree with the plan in principle. But it should be backed up by an increase in the salaries of low-grade government officials to a realistic level," said a Government Administration Ministry official.

## Korea Development Bank's Functions, Goals Viewed

*SK0210041294 Seoul THE KOREA HERALD SUPPLEMENT in English 2 Oct 94 p 3*

["Excerpts" of interview with the Korea Development Bank by THE KOREA HERALD; place and date not given]

[FBIS Transcribed Text] Q: What are KDB [Korea Development Bank]'s designated functions?

A: KDB was established in 1954 by the Korea Development Bank Act (the "KDB Act"). The bank furnishes and administers funds, in conformity with government policies, for the financing of major industrial projects in order to expedite industrial development and expansion of the national economy. Its major activities comprise equipment capital loans, working capital loans, guarantees, equity investments, underwriting, international investment banking and financial advisory services.

Q: What percentage of KDB's total loan disbursements are policy loans?

A: The bank granted new loans during 1993 which amounted to 5.31 trillion won. The amount of 2.53 trillion won, or 47.6 percent of the total, was channeled into government-policy projects implemented to deal with the changing economic environment and in adjustment to a future-oriented domestic industrial structure.

Of these loans, 1.09 trillion won was targeted to support companies desiring purchase of newly developed and locally-produced machinery, while 548 billion won was provided for high-technology development. Furthermore, the bank lent a total of 521 billion won for factory automation and 200 billion won for the development of electrical power resources.

KDB also supplied loans worth 132 billion won to companies seeking investment in pollution-control facilities and information communication industries.

In 1994, KDB will increase the amount of policy loans to 3.43 trillion won.

Q: What are the main industrial priorities for loan disbursements this year?

A: With the conclusion of the Uruguay Round of multilateral trade negotiations, we will face unlimited and borderless competition. To cope with the changes of these external conditions, we must try our best to strengthen international competitive power of our industries. As a leading Korean bank in long-term equipment financing and investment, KDB will step up the support for high- technology, machinery and major parts industry.

Also, the bank will increase loans for R&D, factory automation, new-technology industrialization and computerization of management system, thereby strengthening the international competitiveness of our industries.

Q: What are the main components of Korea's global competitiveness?

A: During the past three decades, the Korean economy sustained a high level of economic growth despite its lack of natural resources. This achievement can be attributed to the global competitiveness of Korea's good supported desirable capital formation, technology innovation, highly educated workforce and the government's growth-oriented economic policy.

First of all, capital formation played a powerful role in the industrialization process initiated by the government in the 1960s. This followed by brisk investment activities in the 1970's and 80's. As a result, production capacity quickly increased which in turn strengthened the international competitiveness of Korea's products.

In early 1990s, however, facility investment was rather sluggish due mainly to a delayed economic recovery both home and abroad, with annual growth rates of below 5 percent. Currently, facility investments are rapidly increasing. Specifically, in manufacturing industries such as electric & electronics, automobiles, iron & steel and oil refineries.

Secondly, as industry restructures, Korea is no longer competitive in terms of labor costs due to continued wage hikes, beginning in the late 1980s. Accordingly, businesses are undergoing rapid structural changes toward the high-tech and technology-intensive industries. Investment in technology development expand and reached 2.2 percent of GNP in 1992, centered mostly on the major manufacturing sectors. In spite of this, our industries are still way behind compared to around 5 percent of the developed countries.

Thirdly, thanks to the enthusiasm of the Korean people for higher education, the nation's labor force is compatible with other developed countries in terms of qualifications. The nation's educated manpower, with its managerial and technical skills, has been a great asset in the course of industrialization, enabling rapid economic development.

Finally, Korea's development has been heavily dependent on the government's high-growth, export-oriented policies. The current structural changes were also initiated by the government, to cope with rapidly changing domestic and world economic conditions.

At present, the government is trying to reduce its control and intervention in business activities, in order to attempt to enhance overall economic efficiency, while strengthening its control of unfair trading practices and environmental problems.

## Merger Results in Nation's Largest Private Firm

*SK0210041194 Seoul THE KOREA HERALD in English 2 Oct 94 p 8*

[By staff reporter Kang Sok-chae]

[FBIS Transcribed Text] After 16 years of operation, Daewoo Shipbuilding & Heavy Machinery, Ltd., an unlisted company, was merged into the listed Daewoo Heavy Industries, Ltd. yesterday.

The merger, which was made as part of the government's shipbuilding industry rationalization plan, has given birth to the nation's largest private company listed on the Korea Stock Exchange (KSE) in terms of paid-in capital.

The new Daewoo Heavy Industries has a total paid-in capital of 1,822.7 billion won. Korea Electric Power Corp., one of the nation's largest public corporations, has a paid-in capital of 3.06 trillion won.

The merged firm is expected to mark a total turnover of 3.38 trillion won this year, including 2.2 trillion won from the shipbuilding business, according to Daewoo Heavy Industries.

The two Daewoo Group subsidiaries were consolidated at the ratio of 1:1.

Daewoo Heavy Industries will have the 271.5 million shares of the now defunct Daewoo Shipbuilding newly listed on the KSE.

Most experts predict that the shares of merged Daewoo Heavy Industries would be priced at 25,000 won per share. But a few even anticipate the price will go up to 40,000 won.

Share prices of Daewoo Heavy Industries were traded at 17,600 won Friday, a day before the merger.

Daewoo Heavy shares were traded at about 12,000 won April 21, when the Daewoo Business Group filed an application with the Securities Supervisory Board (SSB) for its merger with Daewoo Shipbuilding.

Daewoo Heavy will hold meetings of shareholders and boards of directors of the two companies Tuesday to select new executives of the merged company.

Local business experts see an intensified competition for top place between merged Daewoo Heavy Industries and Hyundai Heavy Industries Co., which recorded a turnover of 3.3 trillion won last year.

Yun Yong-sok, vice chairman and chief executive officer (CEO) of both Daewoo Shipbuilding and Daewoo Heavy and the person who has engineered the merger, said that the new company will try to upgrade the export portion of its total turnover from the current 20 percent to 60 percent.

"The consolidated company is sure to become more competitive in the world market and the financially healthier company will put more emphasis on exports to become a global firm," said Yun in an interview.

As part of its global strategies, Daewoo Heavy will set up two sales firms in Europe this year and will consolidate its sales foothold in the United States, Yoon said.

"We plan to list the shares of the merged Daewoo Heavy Industries on foreign stock markets, including the United States, Southeast Asian countries and U.K., through depository receipts (DR) next year," Yun said, adding that the most probable market is the United States.

He predicted that Daewoo Heavy would generate 313.8 billion won on a total turnover of 3,865.8 billion won in 1995 and another 520 billion won on 7 million won in sales in 1998.

Last year, Daewoo Heavy and Daewoo Shipbuilding posted net profits of 16.7 billion won and 200.6 billion won, respectively.

The new company will have four business divisions—shipbuilding, heavy equipment, light automobile production and the construction of an integrated car plant at Kunsan.

The Daewoo Business Group has promoted the merger since 1989 when the government bailed out debt-ridden Daewoo Shipbuilding.

In return for 400 billion won in bailout loans from the Korea Development Bank, the government demanded Daewoo Shipbuilding merge with Daewoo Heavy Industries and dispose of 231,000 sq. meters of land in Pusan's Suyong Bay.

## Brunei, Malaysia & Singapore

## Malaysia

### * UMNO Deputy President on Correcting Faults

*94SE0232B Kuala Lumpur BERITA HARIAN in Malay 21 Aug 94 p 2*

[FBIS Translated Text] Kepala Batas—The strength of UMNO [United Malays National Organization] lies not only in its unity or in the brotherly spirit it practices, but also in the willingness of the party to accept admonition and admit its weaknesses, said the party's deputy president, Datuk Seri Anwar Ibrahim. He said that UMNO is willing to correct any weakness or defect to guarantee party unity and to ensure that its goal of giving good service to the people is maintained.

"There is no other party that does as UMNO does in its willingness to admit its weaknesses, and this was clearly shown when it willingly held a special conference in June to stop the money politics that was spreading among members and leaders. The party will become weak if there is no unity or if there is enmity among members, because these things will ultimately hinder it and cause it to lose in the general election," he told a meeting of the Islamic Community Association at the Paya Keladi Secondary School near here yesterday afternoon.

Also present were Foreign Minister Datuk Abdullah Ahmad Badawi, who is also president of the Kepala Batas UMNO Division; Pulau Pinang Deputy Chief Minister Datuk Dr. Ibrahim Saad, who is also deputy chairman of the state UMNO Liaison Committee; and Datuk Mohamed Sharif Omar, chairman of the UMNO Election Working Committee of the Seberang Division.

Anwar, who is also deputy prime minister and chairman of the Pulau Pinang UMNO Liaison Committee, said that, to ensure that the party remains the pillar of government, Malays and UMNO members need to eliminate negative attitudes that can hinder the progress of national development.

"Malays are backward because they are still poor, which means poor in possessions, education, religion, character, and habits. So that we may taste happiness in this world and in the world to come, they need to follow the example of Islamic leaders, especially the Prophet, who had the exalted character and habits that are the foundation of our country's struggle and government."

He said that with our present national strength, the country's stability can be maintained, and our multicommunal population can live in peace and harmony.

Anwar also criticized Malays who were willing to be used by DAP [Democratic Action Party] in the issue of reserved land in Pulau Pinang to prevent the advancement and development of Malays, especially those in the city.

"DAP has never helped to resolve the problems of Malays, and when the reserved land issue arose, they tried to be the champion, although they had previously never contended for the interests of Malays. They worried that if the reserved land were developed with housing and shops, the economic status of urban Malays would be stronger and would threaten the position of Chinese," he said.

He said the opposition party does not want to see Malays advance, and they took that opportunity through manipulating a few Malays, who supported DAP without investigating.

"We did not intend to take the reserved land but to develop it with the help of responsible religious groups such as the Hajj Fund, Bank Islam, and National Investments, Ltd. (PNB). This was for the interests of Malays, because most urban land is owned by non-Malays," he said.

He also stressed that opposition parties, whether DAP, PAS [Pan-Malaysian Islamic Party], or Spirit of '46, are not capable of helping and defending the interests of Malays or the prosperity of the people in this country, because those parties are good only at words without action.

Earlier, Anwar and Abdullah arrived in a car escorted by about 200 motorcyclists carrying UMNO flags. They then walked about 200 meters, greeting members who were waiting on the left and right of the aisle to a special stage. About 2,000 UMNO members were present, signifying close unity among Pulau Pinang UMNO leaders as they face the next general election.

### Chinese Association President on Race Relations

*BK0410040794 Singapore THE STRAITS TIMES in English 1 Oct 94 p 33*

["Excerpts" of interview with Datuk Ling Liong Sik, president of Malaysian Chinese Association, by correspondent Ismail Kasim in Kuala Lumpur—date not given]

[FBIS Transcribed Text] [Ismail Kasim] **On the state of ethnic relations**

[Datuk Ling] Race relations have definitely improved. We have progressed from a position of no contact to contact and conflict and then to the present stage of compromise and coalescence. To some extent, things have to get worse before they can get better.

[Kasim] **When did things get better?**

[Datuk Ling] In the 80s, the relationship among leaders had not matured. We were still spurred on to voice certain gut feelings. If you look at the present leadership in the National Front, we have worked together for almost 10 years.

We don't argue in public anymore. If we have a disagreement, we talk behind the scene. Why alarm the public? We can settle among ourselves. If we can't, we can set it aside and time will settle it. We are sufficiently mature to cooperate on many other issues in which we can agree.

As an example, look at the Philippine claim on Sabah which led to non-cooperation with Malaysia for many years. Now, the wisdom in both countries is to shelf the problem and start cooperating for mutual benefit.

[Kasim] **Would you attribute the better relations to modifications in government policies?**

[Datuk Ling] Once the relationship among leaders matures, the element of trust will creep in. You know there is no play-out. This makes it easier to make decisions and compromises. There is no fear that it will be used as a political point-scoring. Because of this, a lot of changes, a lot of compromises were possible...sometimes you take one, I take two, sometimes it is the other way around. There is no need for exact calculations each time. We will reach a balance one day.

[Kasim] **Can you zero in on the changes?**

[Datuk Ling] Leadership is one thing, the other is realism. The economy is growing at such a fast pace that what might have been relevant 20 years ago, certain restrictive policies, are irrelevant today.

Another factor is that the New Economic Policy [NEP] has done good. It has made the Malays much more confident and secure. Now, they can adopt a more liberal view of looking at their weaknesses and examine how they can overcome them. How they can combine and complement the other communities to make Malaysia a tower of strength.

[Kasim] **To what extent can the MCA [Malaysian Chinese Association] take credit?**

[Datuk Ling] It is not in the MCA style to claim credit. But we have committed our best effort in the cooperative trust that no one group can successfully bring this nation to where it is now.

We need total cooperation of all groups to make the country progress. And I think everyone has contributed from UMNO [United Malays National Organization] to Malaysian Indian Congress [MIC] to the Sarawak United People's Party.

[Kasim] **Has the style of ethnic representation changed within the Front?**

[Datuk Ling] In any grouping, the top leader, his sense of justice, is very important because the buck stops there. Malaysia is fortunate to have Prime Minister Datuk Sri Dr Mahathir Mohamed. He has played his role with intuition, understanding and finesse.

[Kasim] **What is the possibility of backsliding during a recession?**

[Datuk Ling] Whenever you are at the top of the curve, you must always be prepared for the bottom. Therefore, we have been building the bonds between the races. We have all sorts of multicultural activities among the people. So that if the economic umbrella is taken away one day these bonds will help to pull the people together.

We are also preparing for the challenges that might come. The government has been drawing up all kinds of scenario to be prepared for any eventuality. If you can anticipate, then you can always take measures to cope with the future.

What is important is good leadership. Being mindful of our responsibilities, we have not only to lead but also to educate and train a new generation to take over from us. As far as the MCA is concerned, we have a good second echelon in place today. I am not worried at all.

[Kasim] **How about UMNO?**

[Datuk Ling] We can see in UMNO today so many good ministers, deputy ministers. There are also lots of bright young people struggling to play bigger roles in the party. And I think they will follow the same course set by Dr Mahathir. Because, once you are proven right, others will follow and abide by the same values and vision.

[Kasim] **What is the contribution of MCA to nation-building?**

[Datuk Ling] My initial years were full of problems—MCA Building nearly went over in debts, the STAR daily was in deep trouble, the cooperatives insoluble, Multi-Purpose Holdings...an avalanche of problems.

We started the four Rs—rescue, repair, rebuild and reconstruct. Now that period is over. The MCA Building is ours, the cooperative problem has been settled. The STAR is making money. We are healthy now. So in the last couple of years you can see us moving out, reaching out and touching more lives through our activities.

We are involved in all sectors, from education, culture, economics and even religion. All our programmes are multi-racial in character such as Project Langkawi to help needy students. We don't do it just for the Chinese but for everybody.

Now, we are raising funds for Chinese independent schools. For culture, we held festivals, depicting all the cultures.

In economics, we play our role in encouraging the small and medium scale industries. They are going to be the mainstay of our industries.

[Kasim] **What is the state of Chinese-Malay cooperation in business?**

[Datuk Ling] I think things are going well. The NEP has been accepted and the advantages of joint ventures are obvious. We, of course, support the social engineering policies of the NEP.

[Kasim] **Has MCA any plans to open its doors to non-Chinese?**

[Datuk Ling] If you see the trend in Malaysian politics, we have made progress in terms of becoming less racially based. First, there was the Alliance of three race-based parties, UMNO, MCA and MIC. Then it was expanded to the National Front with the incorporation of several multi-racial parties, including those from Sabah and Sarawak.

And then UMNO opened its doors to non-Muslim bumiputras [indigenous people]. MCA too is opening itself to anyone who has some trace of Chinese lineage in him... So you see this gradual trend. Politics is the art of the possible. You don't rush before the people can accept it, like the Alliance Direct Membership Organisation proposal which died because it was ahead of its time.

[Kasim] **Is there any possibility of UMNO, MCA, and MIC becoming fully multi-racial in the future?**

[Datuk Ling] At the right time and right place, why not? I think racial lines are already getting more and more blurred. This is quite evident in Malaysian life. When the NEP started, you find the divisions sharp, the lines very rigid. After 20 years of social engineering, we are still able to achieve one of the highest rates of growth. It is no simple job. We have succeeded and there are indicators that people will be thinking less and less of race.

For instance, there are about 32,000 Malays and Indians in Chinese primary schools. There are much more Chinese in Bahasa [Malay language] schools.

[Kasim] **What are MCA's prospects in the next election?**

[Datuk Ling] In the last poll in 1990, the MCA was not very cohesive. The challenge against the party presidency was called off at the last minute. This time the MCA is more focused, with a much better track record. We leave it to the people. We believe if we can get a larger mandate, we can serve the people better.

## * Contractors Seek Role in Village Development

*94SE0231A Kuala Lumpur UTUSAN MALAYSIA in Malay 18 Aug 94 p 17*

[FBIS Translated Text] Kuala Lumpur—The New Village construction project, which will cost more than 2 billion ringgit, is expected to give more extensive business opportunities to Bumiputra [indigenous peoples] businessmen if it is implemented, said Datuk Drs. Suleiman Mohamad, deputy minister in the Prime Minister's Office. He said that although a decision has not been made to implement it, indications for the New Village development plan are increasingly reassuring because of support and feedback received from landowners.

Suleiman said that members of the public, especially New Village residents, must realize that to achieve development targets they must leave old values and dare to accept renewal, provided it does not destroy community values.

"Residents must have the courage to accept development in order to experience future happiness," he said yesterday in his speech inaugurating the general assembly of the Federal Territory Branch of the Malaysian Association of Malay Contractors (PKMM) at Hotel Istana. PKMM President Mokhtar Samad called on members to be prepared in various ways as a step toward competing with outsiders.

He said they must display readiness and have a professional attitude in dealing with the business world consistent with current development and progress in industrial construction in the country.

"Fighting among ourselves to get contracts needs to be stopped, and we need to work together as a group able to implement giant projects as well as simple ones," he said.

Mokhtar also asked the government to increase offers of projects to Bumiputra, especially offers involving government privatization projects.

He also announced that the PKMM has proposed that those responsible for evaluating and assigning contracts to Bumiputra give consideration to the major aspects of their respective capabilities. He said the PKMM has established four categories of members, based on their respective capabilities: professional contractors who compete with giant construction companies, responsible contractors in classes A through F, contractors with potential, and young contractors.

"The PKMM's objective is to distribute work according to capability and suitability. In this way everyone will secure a role in an orderly and equitable way," he declared.

## Reportage on Prime Minister's Visit to Jordan

*WA0310153894*

For reportage on the visit by Prime Minister Mahathir Mohamed to Jordan, including reports on his talks with King Husayn and Foreign Minister 'Abd-al-Salam al-Majali, please see the Jordan section of the 30 September and 3 October issues of the Near East & South Asia DAILY REPORT.

# Cambodia

## Genocide Office Urged To Probe KR Crimes

*BK0410043294 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 3 Oct 94*

[Commentary: "The Sooner the Better"]

[FBIS Translated Text] Through Mr. LaPorta, who has just paid a visit to Cambodia, the United States recently opened an office in Phnom Penh to investigate the genocidal crimes committed during the Khmer Rouge [KR] reign between 1975 and 1979. This office will have a three-year term and a very limited mandate. According to the law signed by President Bill Clinton last April, this office will be staffed by only one person, Mr. LaPorta said, and it will rely essentially on Non overnmental Organizations, universities, and academics to carry out the investigations.

We Cambodians welcome the U.S. decision to open the Office of Cambodian Genocide Investigation, and would be even happier if the office quickly collects documents and evidence against the Khmer Rouge and brings their stubborn leaders to trial for their crimes of genocide.

It should be recalled that Pol Pot, Ieng Sary, and other Khmer Rouge leaders were tried and sentenced to death in absentia in April 1979 in trials held before international jurists. Although from certain points of view those trials were not of sufficient international legal validity, many valuable documents were accumulated at that time. On the other hand, those who support the idea of trying the Khmer Rouge as murderers of the Cambodian people believe that plenty of live witnesses to support the case of genocide in Cambodia can be found. Moreover, in the 15 years since the collapse of the Pol Pot regime, many researchers have spent time and resources to study and analyze this genocidal case, and many books have been written and published by well-known authors and printing houses about the crimes between 1975 and 1979.

Based on these reasons, we Cambodians believe that the sooner this genocidal catastrophe is legally clarified the better, for the Khmer Rouge issue constitutes an important obstacle to the rehabilitation and development of the motherland. Although the Royal Government does not have a strategy of using muscle to crush the Khmer Rouge, these rebels are bent on depriving our people of a peaceful existence. Therefore, a three-year period is a long time and it might allow these criminals to continue their large-scale destructive and murderous attacks against the nation. We Cambodians thereby urge this office to conduct the investigation as soon as possible. We have prepared all necessary conditions to cooperate with it.

### Fighting Between Government, KR Troops Reported

*BK0410062794 Bangkok BANGKOK POST in English 4 Oct 94 p 9*

[FBIS Transcribed Text] Ta Phraya—Fierce fighting between Cambodian government forces and Khmer Rouge rebels was reported two kilometres inside Cambodia opposite Ta Phraya yesterday morning. The two sides exchanged artillery and mortar fire for two-and-a-half hours in Phnum Prak and Phnum Chhat.

The fighting had no effects on Thailand. But Thai soldiers and Border Patrol Police were told to be on alert to cope with a possible influx of Khmer civilians into Thailand.

Meanwhile, a senior Cambodian army officer said yesterday Cambodian soldiers fighting to capture a Khmer Rouge base where three Westerners are held hostage were poisoned by drinking water contaminated by their own expended munitions.

### 'Bandits' Attack, Rob Relief Workers 27 Sep

*BK0410072494 Bangkok BANGKOK POST in English 4 Oct 94 p 9*

[FBIS Transcribed Text] In yet another case discouraging international aid to Cambodia, Khmer bandits armed with automatic assault rifles attacked the Catholic Office for Emergency Relief and Refugees (COERR) in Sisophon wounding one Thai aid worker and making off with two landcruisers. The incident occurred on the night of September 27 at 8 p.m.

More than ten Khmer bandits, armed with AK-47 assault rifles and handguns, stormed into the COERR office which also houses their staff, tied one Thai up expatriate and searched for valuables. Bandits beat the Thai before stealing his wrist watch, cash, and sun glasses. He had refused to hand over the keys to two landcruisers parked outside the house.

According to a COERR staff in Bangkok, the bandits then forced the Thai expatriate to his knees, pushed his head down, and placed a handgun to his head, threatening to kill him if he did not give the keys to the vehicles. When he agreed to give the keys, a Cambodian staff member walked into the house and was robbed of his gold neck lace, a ring and a wrist watch. The bandits then made off but in their rush to escape, one landcruiser ran into a bridge in Mongkolborei district and skid into a ditch by the road.

It is believed the bandits were injured in the accident as the landcruiser was heavily damaged on the driver's side, the front, and the roof, and weapons were left behind.

COERR was able to retrieve the landcruiser from the soldiers at the scene only with the assistance of the provincial governor at around 2 a.m.

Another group of local soldiers were unable to seize the other landcruiser from the bandits. COERR is currently negotiating with them for its return.

A COERR statement said the landcruiser which was damaged in the accident during the bandits' escape will be repaired soon, "but the terrible incident can hardly be forgotten by all COERR staff."

The relief organisation employs more than ten Thai expatriates in its Elderly Centre and Vocational School in Sisophon in western Cambodia, assisted by more than ten Khmer staff.

## Indonesia

### Suharto To Be Tried for Alleged Misuse of Funds

*BK0410044094 Hong Kong AFP in English 0414 GMT 4 Oct 94*

[FBIS Transcribed Text] JAKARTA, Oct 4 (AFP)—The Jakarta state administrative court (PTUN) will open a trial later this month with President Suharto as defendant over alleged misuse of funds intended for reforestation, an official said here Tuesday.

"The trial will be started on October 17 and it will be open to the public," PTUN Chairman Benyamin Mangkudilaga, contacted by telephone, said. Mangkudilaga, who will personally head the panel of judges at the trial, said President Suharto would probably be represented by his lawyers.

Seven non-government organisations (NGOs) including the Indonesian Environmental Forum (Walhi) brought the charges against Suharto in June, saying a presidential decree issued then violated an earlier decree.

In the later decree, Suharto ordered the forestry ministry to grant 400 billion rupiah (184 million dollar) in interest-free loans from reforestation funds to the state aircraft manufacturer Industry Pesawat Terbang Nusantara (IPTN) headed by Research and Technology Minister Bacharuddin Jusuf Habibie.

Head of IPTN, Habibie said the loan was to be used to develop the first Indonesian-designed aircraft, the N-250, a 64-seat turboprop commercial passenger aircraft which is planned to be launched in the presence of 15 Asia Pacific head of states in November.

The NGOs are seeking to have the decree revoked, saying it runs against an earlier decree, issued in 1990, which stipulates that reforestation funds should be allocated only for reforestation programs. The government collects a set fee for every cubic metre of log felled from a forest concession and use it for reaforestation efforts.

According to Walhi official, Emy Hafield, the government's statistics showed that reforestation funds have reached 2.4 trillion rupiah (1.1 billion dollars), generating annual bank interest of about 900 billion rupiah.

Hafield has said the loans granted to IPTN was bigger than the funds allocated to the forestry ministry for the 1994/1995 fiscal year which began in April, which stood at 138 billion dollars. The NGOs were questioning the president's accountability in granting funds while the government's efforts to replant critical forest have not met their targets.

The government has managed to replant 480,000 hectares (1.18 million acres) of forest in the past five years, far from the targetted 1.9 million hectares (4.69 million acres), she said. Hafield said Indonesia's tropical rain forest, which covered about 119 million hectares (293 million acres) in 1985, had declined to 92.4 million hectares (227.4 million acres) by 1990. These figures produced an annual forest depletion rate of 2.4 million hectares (5.92 million acres) compared to the 600,000 hectares (1.48 million acres) declared by the government, she said.

## Suharto Hosts Banquet for Czech Prime Minister

*BK0310162894 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 3 Oct 94*

[FBIS Translated Text] President Suharto said that mutually beneficial cooperation between nations continues to be very vital now that the world is undergoing the process of globalization.

Suharto said this in a speech during a state banquet honoring Czech Prime Minister and Mrs. Vaclav Klaus at the State Palace in Jakarta tonight. He said that in the current era, when all nations need each other, no nation can isolate itself.

[Begin Suharto recording] A nation's cooperation with other countries, either with developed or developing countries, should continue to increase. Cooperation in the form of partnership between the developed and developing countries should also be expanded. This principle is included in the Jakarta Message, which was adopted at the end of the 10th Nonaligned Movement [NAM] summit held in Jakarta two years ago. The message contains a call for more democratic and fair dealings between nations. In connection with this, we welcome the acceptance of the Republic of Czechoslovakia as a guest member of the NAM. [end recording]

In his return speech, Klaus said that the Czech Government is continuing to keep pace with the development progress in Indonesia.

The state banquet was preceded by an exchange of souvenirs.

## Government Thanked for East Timor Development

*BK0410042994 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 3 Oct 94*

[FBIS Translated Text] The three-day reconciliatory meeting of East Timor people, held in London from 29 September, produced three joint statements. The text of the three documents made available in Jakarta today focussed on national unity and reconciliation, relations between Indonesia and Portugal, and future cooperation for development in East Timor. The joint statement on national unity and reconciliation stressed on the London meeting's determination and full support to build a new stage of relations among fellow East Timorese living in Indonesia and overseas so as to promote peace, stability, and harmony among the East Timor community.

The statement also expressed its appreciation of the efforts of the UN secretary general who has worked hard to promote ties and mutual trust among East Timorese. The statement also expressed their deep appreciation to the Indonesian Government which continues to develop East Timor after its integration into the Republic of Indonesia.

## Minister on Decline in 1994 Paddy Production

*BK3009120094 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 30 Sep 94*

[FBIS Translated Text] The decline in the national paddy production in 1994 was estimated at 4 percent of the total production of 48,100 tons of dry hulled paddy. This was due to floods, drought, and late 1994-95 planting season. Even though there was a decline in paddy production and rising prices in several regions, the supply of rice is still sufficient to meet public demand. Speaking at the opening of a 1994 national-level technical programming workshop session in Bukit Tinggi, Agriculture Minister Syarifuddin Baharsyah said this year's decline in paddy production and the long drought were similar to that in 1991.

The drought, which caused destruction in several different regions, covered several potential regions or productive areas. According to the forecast by the Meteorological and Geophysics Board, this year's rainfall was delayed by a month. This means that the drought was further extended. As an effort to overcome the low paddy productivity, urea fertilizer tablets were used to maintain productivity in 25 regencies over an area of 1.3 million hectares in Java. Urea fertilizer tablets can increase paddy production between 0.5 to 1.5 tons of hulled paddy per hectare.

Meanwhile, speaking in Padang, Amrin Kahar, secretary of the social guidance advisory board said 400,00 hectares of paddy were destroyed, and 130,000 hectares of paddy dried up. As a result of the drought, the price of rice increased in several regions in Indonesia, particularly in July. In this connection, BULOG [National Logistics Board] operated rice markets nationwide.

## * MP Urges Implementing Fair Protection Policy

*94SE0234B Jakarta KOMPAS in Indonesian 16 Aug 94 p 2*

[FBIS Translated Text] Every nation tries in principle to maximize protection of its domestic industries from dumping and from the prices of the same types of industrial imports. However, the government must implement fair protection policies on all its infant industries and not just provide it exceptionally to categories of industry or to certain owners. In addition, there must be a clear and easily understood time limit for protection so that inefficiency does not result.

This was the opinion stated by M.Z. Wasaraka (Development Work Faction), chairman, and by Udyanto Hadisudarmo (Republic of Indonesia Armed Forces Faction), deputy chairman of Commission VI of the DPR [Parliament], when they were asked for their reaction to the government's promise to grant protection to the upstream industry Chandra Asri, as confirmed by Sanyoto Sastrowardoyo, minister of investment and chairman of the BKPM [Capital Investment Coordinating Board], after signing a mining work contract yesterday in Jakarta.

Wasaraka said that the government could have a protection policy for domestic industry, especially for "infant" industries. But this protection must be able to support the growth of domestic industrial abilities as a whole.

This protection must be accompanied by various easily understood regulations so that all parties concerned could exercise control over it from early on. Even more important, these regulations must not make upstream, intermediate, and downstream industries sink beneath the waves because of the high price of the olefin sold by Chandra Asri.

If the most upstream industry is expensive, it stands to reason that this will have an effect on the industries that use their raw materials. Products produced by the intermediate and upstream industries will automatically be more expensive and the selling price will continue to rise until it reaches the final product.

If such is the chain of effects, it will in turn damage the national economy as a whole. These domestic industrial products will be expensive and it will be hard for them to compete with foreign products on the local and international markets.

"That is why I am asking the government to impose a reasonable duty and to treat them fairly. This policy should not be applied to just certain people; the duties will be high and the limitations unclear. The policy should also not take into consideration the achievements of the consumer industry," said Wasaraka. This was also corroborated by Udyanto, who said that clear stages, limits, and duties are needed for those protection policies. His party does not deny that upstream industries require protection so that they do not go under or come to depend on imported raw materials.

However, those protection policies should not go too far so that they create problems for other sectors connected to the protected industries. This is what is at the heart of the criticisms leveled by the public, society at large, and the government itself.

"These criticisms do not necessarily indicate that they only want strong upstream industries, but we want to be certain that the protective steps taken by the minister of investment will not interfere with downstream industrial operations and not raise the price of the downstream products sold to the public. This is what must be emphasized; don't go so far as to make the public bear the burden of that industry's inefficiency just because it is an 'infant' industry in which the limits of protection are not clear," said Udyanto.

On that basis, his group will ask at Commission VI's working meeting for a clarification of the confirmation made by the minister of investment and chairman of the BKPM. This will include asking Industry Minister Tunky Ariwibowo about what condition an industry must be in for it to be protected.

"We will ask about all of this at a meeting with Commission VI. Should the industry be protected or not? And, if there is protection, it must be accompanied by some conditions," he said.

## Laos

### Leaders Greet PRC Counterparts on National Day

*BK0110101094 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 1 Oct 94*

[FBIS Translated Text] Today, Comrade Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and prime minister of the Lao People's Democratic Republic [LPDR]; Comrade Nouhak Phoumsavan, president of state; and Comrade Saman Vi-gnaket, chairman of the National Assembly of the LPDR, jointly sent a message of greetings to Comrade Jiang Zemin, general secretary of the CPC Central Committee and president of the PRC; Comrade Li Peng, premier of the State Council; and Comrade Qiao Shi, chairman of the National People's Congress [NPC] Standing Committee, Beijing. The message reads as follow:

On the occasion of the 45th anniversary of the establishment of the PRC, on behalf of the LPRP Central Committee, the government, the National Assembly, the multiethnic Lao people, and in our own names, we would like to convey our greetings and best wishes to you, comrades, and through you, to the CPC Central Committee, the government, the NPC, and all the fraternal Chinese people.

Over the past 45 years, in particular during the period of the implementation of economic reform and the open-door policy, the Chinese people, under the CPC leadership, have successfully maintained the revolutionary gains and recorded new, significant achievements in many fields in the cause of building a prosperous socialism in accordance with the Chinese people's identity. At present, the PRC has become a country with political stability, a developed economy, and an advanced science and technology. The Chinese people's material and spiritual standard of living has also been raised to a higher level. Our Lao party, government, National Assembly, and people hail the achievements recorded by the fraternal Chinese people throughout the period and highly appraise the PRC's roles in the international arena.

Laos and China are neighboring countries. Our two peoples have maintained good traditional relations since ancient times. We are elated to note that the relations of friendship and all-around cooperation between our two countries have been efficiently enhanced and developed, thereby bringing about concrete benefits to the two peoples of Laos and China and contributing to the cause of peace, stability, and cooperation in the region and the world.

On this glorious occasion, we wish you, comrades, and fraternal Chinese people, new, ever greater success in speeding up the steps of reform as well as in developing the economy in accordance with the socialist market-oriented mechanism in the PRC.

On the same occasion, Comrade Somsavat Lengsavat, our minister of foreign affairs, has also sent a message of greetings to Comrade Qian Qichen, vice premier of the State Council and minister of foreign affairs of the PRC, Beijing. The message reads as follow:

On the 45th anniversary of the establishment of the PRC, I would like to convey my salutations and best wishes to you, comrade. I am elated to see that in recent years the relations of friendship and cooperation between Laos and China, as well as the good cooperation between our two ministries of foreign affairs, have been effectively expanded in all respects. This has resulted from the concrete efforts of our two sides. I am firmly convinced that the aforesaid good, traditional relations of friendship between the two countries as well as between our two ministries will be further consolidated and developed for the benefit of the two peoples of Laos and China and in the interest of peace, stability, friendship, and cooperation in the region and the rest of the world.

I wish you, comrade, good health and new, ever greater success in performing your noble duty.

### PRC Justice Ministry Delegation Arrives

*BK0210131794 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 30 Sep 94*

[FBIS Translated Text] Somlit Chanthachak, deputy minister of justice of the Lao People's Democratic Republic [LPDR], and (Xiao Xetong), PRC deputy justice minister, and the delegations of the two sides held talks on cooperation and relations between the Justice Ministries of the two countries in Vientiane this morning.

During the talks, the two sides raised the issue of bilateral relations in justice work and exchanged experience with each other, such as in personnel organization, application of laws, assignment of personnel to justice movements, and other issues. In addition, the two sides also reviewed the outcome of the implementation of the cooperation agreement signed between the ministers of the two countries in Beijing on 15 May 1994. The agreement spelled out the exchange of technical lessons, legal data, counseling experience, and arbitration techniques in civil cases; the planned meetings of technical and legal personnel between the two sides; and the exchange of visits between the leading personnel of the two ministries. The two sides expressed satisfaction with the development of cooperation and relations between the two ministries. They noted that the spirit of the said agreement has been effectively implemented.

(Xiao Xetong) led the delegation the PRC Ministry of Justice to pay an official visit to Laos. The delegation arrived here on 29 September. This afternoon, the PRC deputy justice minister and his delegation paid courtesy calls on Kham-ouan Boupha, justice minister; and Ket Kiattisak, chairman of the Supreme People's Court of the LPDR, who warmly welcomed the PRC vistors.

### Deputy Premier Receives PRC Group

*BK0210132094 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 2 Oct 94*

[FBIS Translated Text] On 30 September, Khamphoui Keoboualapha, deputy prime minister and chairman of the Committee for Planning and Cooperation, received a courtesy call from the delegation of the PRC Ministry of Justice headed by (Xiao Xetong), PRC deputy justice minister, who is currently paying an official visit to Laos 29 September-4 October.

During the call, Deputy Prime Minister Khamphoui Keoboualapha hailed the visit to Laos by the PRC Justice Ministry delegation, which is taking place at a time when the [illegible]ions and cooperation between the two countries are gradually developing. He expressed hope that the visit will serve to further strengthen the already good relations between the two countries and to allow the leaderships of the Lao and PRC Justice Ministries to increase understanding and to exchange lessons with one another to further strengthen justice work between the two countries. (Xiao Xetong) expressed thanks to the deputy prime minister for according him and his entourage a warm welcome and wished the Lao Government and people brilliant achievements in carrying out socioeconomic development.

### Highway Improvement Accord Signed With Thailand

*BK0110110194 Bangkok BANGKOK POST in English 1 Oct 94 p 8*

[FBIS Transcribed Text] Vientiane—Thailand and Laos agreed yesterday to privatise highway networks to improve land links between the two nations. The agreement was reached after a meeting between Thai Transport and Communications Minister Winai Somphong and Lao Minister for Communications, Transport, Post and Construction Bouathong Vongnokham in Vientiane.

Col Winai is leading a delegation of 100 officials and Thai businessmen in highway construction business and telecommunications to look for the investment opportunity in Laos. Joining the minister on his trip include top executives from major construction and telecommunications companies. A No. 9 highway to Danang will be one private investment opportunity.

Laos has previously awarded a contract to a Thai company to construct a 250-km highway from Chiang Khong to Houai Sai and Luang Nam Tha to southern China.

Minister Bouathong said Laos will form a committee to conduct a feasibility study on a road between Nan Province of Thailand to Sayaboury of Laos.

A private company has already been hired to study a 30 km railway link between the Laotian capital and Nong Khai Province of Thailand.

Both ministers yesterday agreed to jointly study ways to allow vehicles of both countries to travel beyond the off-limit zone at the foot of the Thai-Lao bridge to Vientiane on the Laotian side and Udon Thani on the Thai side.

A committee will be set up to lay down guidelines how to ease the control.

The decision by the Thai and Lao authorities to ban vehicles of the other country to pass each respective off-limit zone has caused the bridge to be unpopular among travellers.

A large number of travellers prefer to use the ferry for passengers and vehicles to cross the Mekong River, the natural boundary of the two countries.

Col Winai said a meeting will be held either in Vientiane or Nong Khai soon to resolve the problem which arose from the use of the Thai-Lao Friendship Bridge.

He said Thai companies can form a consortium to compete for highway projects in Laos particularly the one between Chiang Khong and southern China via Luang Nam Tha.

The minister said Laos has agreed to open its country to allow Thai companies to invest in construction projects.

All the highway projects will complement a Thai Government plan to build a double-highway network throughout the country.

### Assembly Ends Debate on Development Policy

*BK0310120994 Vientiane KPL in English 0903 GMT 3 Oct 94*

[FBIS Transcribed Text] Vientiane, October 3 (KPL)—The fifth session of the National Assembly (third legislature) deliberated for the last day on October 1, the socioeconomic development policy and the 1994-95 budget presented by the government.

Under the chairmanship of the president of the National Assembly, Saman Vi-gnaket, the deputies had all along those six days hearings from various concerned ministers on the socioeconomic development policies and the 1994-95 budget. They also deliberated on the government's performance on the budgetary exercise for 1993-94. The house approved the approach of the government and its effort in carrying out the socioeconomic development programme and in tailoring the state budget accordingly. The house's chairman congratulated the government for its success in increasing the state income thus contributing to increase the stability in socioeconomic fields. But the most significant achievement was the decision taken by government in increasing wage and salary in the public sector. Although wages and salaries have been increased significantly, there was no inflation and the living standard of public servants, of the armed forces and of the police has been improved satisfactorily. Mr. Saman Vi-gnaket also pointed out that the government met all the targets set for 1994 and presented a well-balanced budget for 1994-95 in accordance with the development strategy of the party.

During the hearings, the deputies also commented on the weak points of the government in the implementation of 1993-93 fiscal year by pointing out some irregularities in the budgetary exercise, in failing in collecting all the taxes and duties, and observed that some government's services or sector did not present to the central budget all its incomes from the collection of fees and duties. The house recommended that the government should give more attention and take appropriate measures.

## Philippines

### 'More Pronounced' U.S. Role in Region Urged

*BK0310041194 Quezon City Radio Filipinas in English 0230 GMT 2 Oct 94*

[FBIS Transcribed Text] Foreign Affairs Secretary Roberto Romulo urged the United States to make its presence felt in Southeast Asia. Romulo said the presence of the United States in Southeast Asia will serve as a stabilizing factor and deterrent to other countries from becoming a dominant force in the region. In his speech before the Asia Society, Romulo said that a more pronounced U.S. role in the region need not require a military bases-agreement.

### Ramos Presses for Ratification of GATT Accord

*BK0410070094 Quezon City Radio Filipinas in English 0230 GMT 4 Oct 94*

[FBIS Transcribed Text] President Ramos, Monday, pressed anew for the ratification of the Uruguay Round-General Agreement on Tariffs and Trades or GATT, saying it would pave the way for greater exports and export earnings in the Asia-Pacific region and create a multiplier effect on the local economy.

President Ramos spoke on the occasion of the 22nd United Nations Food and Agriculture Organization which (?had a) conference for Asia and the Pacific held at the Manila Hotel. In his speech, President Ramos stressed that GATT ratification is fundamental to the region's common development. For the Asia-Pacific region, President Ramos said, ratifying the agreement will pave the way for increased exports and export earnings. He added that many international markets will be opened to the region creating a multiplier effect in the region's domestic economies, which means more employment, an increased purchasing power and a general increase in economic activities. President Ramos also said that the agreement would institutionalize sustainable development among all member nations under the World Trade Organization. He added that the agreement provides the Asia-Pacific region the impetus for change, establishing the foundations of a truly democratic and competitive world market where transparency and fair play are the rules.

President Ramos stated that GATT also provides for a mechanism which assures investment and trade activities. In his speech, President Ramos also called the nongovernment organizations, NGO's, and people's organizations to join hands with the Asia-Pacific parliament in enforcing ordinances and laws for the protection of vital regional (?waters) and aquatic resources.

### Energy Official Details Oil Well Production

*BK2909135694 Manila PHILIPPINE DAILY INQUIRER in English 28 Sep 94 pp 17, 20*

[Report by Katherine R. Espina]

[Text] The consortium led by Kirkland (Far East) Ltd. flowed 280 barrels of oil per day (bopd) at its well on Maniguin Island, Antique, Energy Undersecretary Rufino Bomasang said yesterday.

Bomasang told the INQUIRER that the Kirkland group plans to conduct a longer production test on its Maniguin-2 well and more seismic surveys as the oil found in area was "waxy."

As of press time, Bomasang was still meeting with Kirkland officials regarding the details of the drilling activities for Maniguin.

The British-led consortium conducted a drill stem test (DST) on Maniguin-2 last weekend to establish the flow rate.

This was after the consortium struck oil at over 4,000 feet and gas shows at 5,150 feet in the Maniguin-2 well early last week.

Bomasang said that the Maniguin-2 was the first onshore well to flow such a quantity of oil.

Bomasang said that the commercial quantity of oil in an onshore well is much lower at about 300 to 400 barrels a day compared with that an offshore well.

All of the major oil discoveries in the country involved offshore drilling. These included the Nido oil discovery in the 1970s, the West Linapacan oil find in the 1990s and the promising Camago- Malampaya field in northwest Palawan.

Kirkland has a 20 percent stake in its service contract over Maniguin while the Philippine National Oil Co.-Exploration Contract (PNOC-EC) has a participating interest of 35 percent.

Other consortium members are Oriental Petroleum and Minerals Corp. (25 percent), Monument Resources (Philippines) Ltd. (15 percent), Petrofields Exploration and Development Co. (5 percent), Basic Petroleum and Minerals (2.5 percent) and Asian Petroleum and Minerals Corp. (2.5 percent).

The Maniguin-2 well is one of the nine wells scheduled for drilling this year.

In 1982, an American company, Philipps Petroleum, drilled the wildcat well in Maniguin and detected gas shows at 3,200 feet. However, it did not pursue the drilling project for lack of a local market for natural gas.

At that time, there were also no plans to provide the necessary infrastructure to bring gas discoveries onshore.

At present, Shell Philippines Exploration Corp. (SPEX) and Occidental Petroleum (Oxy) are planning to put up a pipeline that will bring gas from the Malampaya field to Luzon.

## Thailand

### Chuan Prepares for 6 Oct Talks With Clinton

*BK0310032794 Bangkok BANGKOK POST in English 3 Oct 94 p 3*

[FBIS Transcribed Text] Banff, Canada—Prime Minister Chuan Likphai will meet President of the United States Bill Clinton on October 6 in Washington D.C., Foreign Minister Prasong Sunsiri said yesterday.

The meeting, which is expected to last more than an hour, is mainly to witness the opening of the Joint Thai-US Business Council which will be co-chaired by M.R. Kasemsamoson Kasemsi of Thailand and Nelson Rockefeller of the US. Sqd Ldr [Squadron Leader] Prasong said the Thai-US Business Council is expected to facilitate trade and business cooperation between the two countries.

Thailand will also ask the US to withdraw Thailand from the Priority Watch List (PWL). He said Thailand has meted out a number of measures as well as legislation to protect copyrights, patent and intellectual property. The legislation has been passed by the House of Representatives and is now with the Senate, Sqd Ldr Prasong said.

Moreover, the House of Representatives has just approved in principle the State Enterprises Relations Bill to show that Thailand has been trying to give more rights to workers.

Sqd Ldr Prasong said Mr Chuan and Mr Clinton are also expected to discuss an APEC meeting in Indonesia in November, because the US has been trying to expand its role in this regional grouping.

Concerning the Cambodian problem, the Foreign Minister expected Mr Clinton and Mr Chuan to discuss the general situation in the region rather than just focusing on Cambodia.

"However, if this issue is raised, we are ready to explain it to them," he said.

Sqd Ldr Prasong said the US will be asked to help transfer technologies in various fields to Thailand.

On the situation in Haiti, Sqd Ldr Prasong believed the US will raise this matter to gauge Thailand's opinion. Asked how Thailand would respond if asked to send troops for peace-keeping duties in Haiti, Sqd Ldr Prasong said Thailand would have to wait for an official request from the UN before making a decision.

Cooperation on drug suppression is another topic likely to be discussed, Sqd Ldr Prasong said. He said there should be no problems over this matter as the US is very familiar with Thailand's drug suppression efforts. The Foreign Minister said the US allegations that Thai MPs are involved in narcotics trafficking are unlikely to be raised for discussion for ethical reasons.

On US-Japan trade talks, Sqd Ldr Prasong said if trade sanctions were imposed against Japan the impact on Thailand would be both positive and negative. On the positive side, Japanese goods would be banned from the US market and it would possibly be a good opportunity for Thailand to take Japan's place. On the negative side, if Japanese goods were banned by the US, Japan would look for new trade markets which may now be dominated by other countries including Thailand, Sqd Ldr Prasong said.

### Clinton's Haiti Policy Called 'Spineless'

*BK0410074094 Bangkok BANGKOK POST in English 4 Oct 94 p 4*

[Editorial: "U.S. in Danger of Getting Bogged Down in Haiti"]

[FBIS Transcribed Text] Over the weekend in Port-au-Prince fifty people were wounded in an explosion in a slum area, US forces captured state-run television and radio to prevent the army from broadcasting propaganda (US propaganda about the alleged "restoration of democracy" apparently being preferable), tanks and armoured jeeps blocked roads to prevent demonstrators from marching on the elite suburb of Petionville, and at least five journalists were injured. The omens for a peaceful resolution to the US occupation of Haiti, let alone a just one, seem remote.

Governments tend to recognise as fellow governments whoever holds actual, present-day power in another country; witness the ASEAN policy toward the SLORC in Burma. And, writes A.D.P. Taylor in BISMARCK: "In every state power rests with the armed forces; and whoever controls these forces controls, in the last resort, the state itself." This pair of truisms should serve as a guide as we try to make sense of the otherwise bizarre jumble of words and actions swirling about the occupation. "In the beginning was the word," writes THE Economist, "and the word was 'dictators'. That was how

President Bill Clinton repeatedly referred to Haiti's ruling junta, to help to justify the invasion he was planning. Now that America says it is co-operating with the military leaders rather than fighting them, the word has changed. American officials now call Raoul Cedras and company Haiti's 'de facto' leadership, the 'defactos' for short."

Like the United States Constitution as a whole, the provision designating the president as commander in chief of the armed forces was quite novel at the time it was promulgated, some 205 years ago now. Naturally enough, there has been confusion from time to time about the clause and even disregard of it—Americans being human and thus, like the rest of us, given to admiring brute power and liking a man in uniform. At least three US presidents, including the first and greatest, have been retired generals. But the clause's purpose is quite clear enough: to ensure that control over the armed forces, and thus over the United States as a whole, would be squarely and unambiguously in the hands of democratically-elected civilian officials. Thus did the American ambassador to the UN, Madeleine Albright, muddy the waters when she said last month, responding to opinion polls showing 70 per cent of Americans opposed to an invasion: "It may not be popular. The president has said that, but he is the leader. He is the commander in chief, and he believes that this is the right thing to do." It is a familiar, and often deliberate, form of ambiguity: the president as "the" commander in chief. But the US president most emphatically is not commander in chief of the republic or of its citizens; he is commander in chief of the armed forces. The distinction is crucial.

In April 1951, when General Douglas MacArthur defied President Harry S. Truman over military policy in Korea, Truman fired him, in the face of overwhelming public support for MacArthur. Many American newspapers attacked Truman; the CHICAGO TRIBUNE even called for his impeachment. But some supported his decision, and rightly so. "The most obvious fact about the dismissal of General MacArthur is that he virtually forced his own removal," THE NEW YORK HERALD TRIBUNE editorialised at the time. "In high policy as in war there is no room for a divided command....General MacArthur is a soldier of the highest abilities...yet he is the architect of a situation which really left the President with no other course. With one of those strokes of boldness and decision which are characteristic of Mr Truman in emergencies, a very difficult and dangerous problem has been met in the only way it could have been met."

Consider in contrast a REUTERS report carried in the SUNDAY POST two days ago: "The NEW YORK TIMES, in yesterday's editions, quoted administration officials as saying that the decision to assign (Haiti's) police to keep order reflected the American military's reluctance to directly involve itself in police duties."

Truman was famous for the sign he kept on his desk: "The buck stops here." David McCullough's biography of Truman appeared in 1992, prompting candidate Clinton and his opponent Mr Bush to trip over each other comparing themselves to him. What comparison, we ask now, can there possibly be between the man who fired MacArthur and the man who backed into a large-scale commitment of US troops in Haiti, without duly consulting either American voters at large or their elected representatives and without a genuine willingness to perform the only tasks for which the intervention can be justified—the restoration of order and security for the majority of terrorised Haitians and the peaceful restoration of the country's elected president—and who, furthermore, lacks the requisite backbone even to wield his constitutional authority over his own country's military? The omens are not good for democracy in America, never mind Haiti.

Mr Clinton's cringing, spineless conduct of US policy towards Haiti has left the world asking: Who is in charge? Where exactly—or even approximately—does the buck stop?

## Vietnam

### Assembly's Standing Committee Meets 20 Sep-1 Oct

*BK0410085094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Oct 94*

["Communique" issued by the National Assembly Standing Committee—date not given]

[FBIS Translated Text] The Standing Committee of the National Assembly met in Hanoi from 20 September-1 October under the chairmanship of National Assembly Chairman Nong Duc Manh and in the presence of Vice State President Nguyen Thi Binh.

1. To create favorable conditions for the implementation of 1995 tasks, especially budget allocations, the government recommended that the sixth session of the Ninth National Assembly be convened at an earlier date. After reviewing the government's report and with the consensus of National Assembly deputies, the committee decided to convene the sixth session of the Ninth National Assembly from 20 October in the capital city of Hanoi.

The main objectives of the session are to review the implementation of 1994 tasks in accordance with National Assembly resolutions, to discuss 1995 orientations and tasks as well as implementation of the 1994 state budget and the state budget estimation for 1995, and to balance the 1993 state budget. The National Assembly will also consider and make decisions on other important issues.

2. The committee gave its opinions on the government draft reports on the implementation of 1994 tasks; 1995 orientations and tasks; the state budget estimation for

1995; implementation of the National Assembly's resolution on the movement for thrift and against wasteful spending, corruption, and smuggling; socioeconomic development in areas inhabited by ethnic minority people and in mountain regions; the activities of the Supreme People's Court and the Supreme People's Organ of Control in 1994; and the management of local people's courts in terms of organization and enforcement of civil court sentences.

The committee highly valued the great efforts of compatriots, combatants, sectors, and echelons countrywide as well as the progress made by the government in overseeing and directing the implementation of 1994 tasks in accordance with National Assembly resolutions.

The committee noted that over the past nine months, the national socioeconomic situation remained stabilized and developed, the political situation stable, national defense and security firmly maintained, and the people's living conditions in many localities improved a step further. Nonetheless, the committee called the attention of the government to the need to accurately assess the actual situation and work out practical measures to mobilize people nationwide to make efforts to fulfill the heavy tasks that remain in 1994, to fight against negative phenomena, to help compatriots in areas hit by recent typhoons and flash floods so that they can overcome the consequences of natural disasters, to restore production, and to stabilize their life at an early date.

The committee requested that the government and agencies concerned urgently review and perfect documents to be submitted to the National Assembly, while at the same time carrying on other urgent tasks to make adequate preparations for the National Assembly session.

3. The committee heard a government report, suggestions from the Vietnam Fatherland Front [VFF] Central Committee, and the first batch of investigative reports prepared by the seven working groups of the National Assembly Standing Committee during their working visits to Ho Chi Minh City and the Provinces of Song Be, Dong Nai, Tay Ninh, Nghe An, Kien Giang, Ba Ria-Vung Tau, Lao Cai, Tuyen Quang, Ha Giang, Gia Lai, Kon Tum, Nam Ha, and Ninh Binh concerning preparations for people's council elections at all levels.

The committee highly appreciated the great efforts of sectors, echelons, the VFF, and compatriots countrywide—especially those in areas hit by recent natural disasters—to overcome difficulties in making prompt preparations for the elections to take place as specified by law.

The committee called the attention of the government and agencies concerned to issues that need to be resolved in the immediate future. For example, continued efforts are needed to make cadres and people fully realize the importance of the elections, provide funding for the elections in a timely manner, and settle the people's complaints and negative letters while at the same time deciding on a number of practical measures aimed at carrying on the task of overseeing and directing the preparatory work to guarantee conditions for the elections to take place in a democratic atmosphere, within the bounds of law, and in an economical and safe manner.

4. The committee passed two decrees, one on the rights and responsibilities of Vietnamese organizations that receive land allocation or a land lease from the state, and the other on the rights and responsibilities of foreign organizations and individuals who lease land in Vietnam. The committee gave its views on the draft decrees on the protection of the rights of authors and consumers, on the protection of transport and communications networks, and on the exploitation and protection of hydro- meteorological works. The objective of the move was to prepare for the approval of the aforementioned draft decrees at the next meeting of the National Assembly's Standing Committee.

The committee also reviewed and gave its opinions on the chapter on ownership rights of the Civil Code for submission to the next National Assembly meeting.

## Lam Dong Takes Action Against Corrupt Officials

*BK0410132394 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 3 Oct 94*

[FBIS Translated Text] So far, Lam Dong Province has initiated legal proceedings against 21 corruption cases involving 48 individuals, including 12 directors like Le Ngoc Doan, former director of the Bao Loc Forest Products Processing and Export Corporation; Pho Van Ha, former director of the Trung Son Building Materials Enterprise; Nguyen Xuan Chinh, former chief of the Bao Loc District financial management office; and others.

The corruption cases in Lam Dong have caused nearly 2 billion dong in losses to the state budget.

## Ministry Discusses Tax With Mass Media Agencies

*BK0410133094 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 4 Oct 94*

[FBIS Translated Text] The Ministry of Finance recently held a meeting with representatives of mass media agencies to discuss current tax regulations for mass media agencies.

Leaders of the Finance Ministry and the Revenue General Department briefed the meeting attendants on results of recent inspection work on the implementation of tax regulations in a number of mass media agencies. The officials also took note of suggestions from the representatives regarding tax regulations for the mass media. In the immediate future, suggestions for a more reasonable income tax scale will be considered to enable mass media agencies to equip themselves with more modern facilities, thus improving the quality of their work.

### Commercial, Economic Ties With PRC To Expand

*BK0410153694 Hanoi VNA in English 1423 GMT 4 Oct 94*

[FBIS Transcribed Text] Hanoi VNA October 4—Deputy Prime Minister Phan Van Khai has revealed that Vietnam would shortly use China's loans iorth 80 million yuan (about USD 9.4 million) to expand the Ha Bac Nitrogen fertilizer plant in the [words indistinct] the March 8 Textile Mill in Hanoi and a number of irrigation and electric power works in mountain provinces.

In an interview with the daily (LIBERATED SAIGON) on his official visit to China late last month, Mr. Khai added that these establishments among the 300 industrial projects built with assistance from China one or two decades ago, many of which now needed repair and upgrading.

In relation to the commercial cooperation between the two countries the deputy prime minister said:

'The two countries have concluded more than 20 agreements on bilateral cooperation in various fields. However, the volume of official trade is still low with the total two-way trade value standing at only USD 500 million. Vietnam could export to China rice and other farm produce, anthracite, rubber, crude oil, seafood and mineral ores, in return for China's chemical products, machinery, equipment and materials.'

Deputy prime minister said that his visit, commercial minister [words indistinct] had agreed with senior officials ofhe hostcountry's trade minstry on measures to boost bilateral trade cooperation.

Mr. Khai added that his China visit was aimed to promote the two countries' trade ties, to study China's experience gained in the reform process in the recent 15 years, which, in his words, would help Vietnam in her current renovtion.

### Party Delegation Visits Iraq, Holds Talks

*BK0410091994 Hanoi VNA in English 0647 GMT 4 Oct 94*

[FBIS Transcribed Text] Hanoi VNA October 4—A delegation of the External Relations Commission of the Communist Party of Vietnam's Central Committee led by deputy head Do Van Tai has paid a visit to Iraq at the invitation of the Arab Socialist Renaissance (Ba'ath) Party.

The Vietnamese delegation held talks with a delegation of the External Relations Commission of the Baath party Central Committee led by Minister Latif Nusayyif Jasim, deputy head of the commission.

The two sides informed each other of the situation in their countries and exchanged views on issues of common concern and discussed measures to consolidate and promote the long-lasting friendship and cooperation between the two parties and peoples.

The delegation was received by Iraqi Vice President Taha Yasin Ramadan, speaker of the National Assembly Sa'di Mahdi Salih Secretary General of the Iraqi National Progressive Front Abdul Ali Abdul al Gafur and Foreign Minister Muhammad Sa'id al-Sahhaf.

During these meetings, the host expressed its admiration for the Vietnamese people's struggle for national independence under the leadership of the Communist Party of Vietnam, and their achievements in the renovation process. Iraqi leaders also expressed their wish to develop multi-faceted ties with Vietnam.

While in Iraq, the delegation also called at the Iraq-Vietnam Friendship Association and the Iraqi Organization for Peace, Friendship and Solidarity and a number of historical sites and economic and cultural establishments.

Vietnamese Ambassador to Iraq Nguyen Tri Quang attended the delegation's activities.

### National Assembly Delegation Visits ROK 26-30 Sep

*BK0110132394 Hanoi Voice of Vietnam in English 1000 GMT 1 Oct 94*

[FBIS Transcribed Text] A Vietnamese National Assembly delegation paid a visit to the Republic of Korea 26-30 September. The delegation was received by Parliament President Hwang Nak-chun and had working sessions with other officials of the South Korean parliament. The delegation paid a courtesy visit to general secretary of the ruling South Korean Democratic Party Mun Yun-s) and president of the South Korea-Vietnam Friendship Association Nam Chak-yu.

### National Assembly Chairman Meets Finnish Official

*BK0410091794 Hanoi VNA in English 0644 GMT 4 Oct 94*

[FBIS Transcribed Text] Hanoi VNA October 4—Chairman of the National Assembly Nong Duc Manh received here yesterday Mr. Seppo Tiitinen, secretary general of the Finnish parliament, who is on a working visit to Vietnam.

During the reception, Chairman Nong Duc Manh expressed thanks to the Government and people of Finland for their much-valued support to Vietnam's national defence and construction between the two countries and legislatures, have seen new developments in the recent years. [sentence as received]

He asked Mr. Seppo Tiitinen to convey his thanks to the chairwoman and other members of the Finnish parliament for their warm reception given to the Vietnamese National Assembly delegation during their visit to Finland one year ago, and renewed his invitation to the Finnish parliament to visit Vietnam.

On his part, Mr. Seppo Tiitinen paid tribute to the results of the renovation process in Vietnam and expressed his belief in the unceasing development of the close friendship and cooperation between the two countries and legislatures.

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